Hydro 2000 2012 EDR Application

EB-2011-0326

Submitted October 10, 2011

Hydro 2000 265 St.Phillippe St P.O. Box 370 Alfred Ontario K0B 1A0

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Exhibit 1: Administrative Documents

Tab 1 (of 4): Administration

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1	Legal Application
2	ONTARIO ENERGY BOARD
3	IN THE MATTER OF the Ontario Energy Board Act, 1998,
4	S.O.1998, c.15 (Sched. B)
5	AND IN THE MATTER OF an application by Hydro 2000
6	for an Order or Orders pursuant to section 78 of the
7	Ontario Energy Board Act, 1998 for 2010 distribution rates
8	and related matters.
9	1) The Applicant is Hydro 2000 ("Hydro 2000"). Hydro 2000 is a licensed electricity
10	distributor operating pursuant to license ED-2002-0542. The urban communities
11	served by Hydro 2000 are limited to the Cities of Alfred and Plantagenet. Hydro 2000
12	has no special conditions in its license. Hydro 2000 is an embedded distributor;
13	adjacent distributors are Hydro One Inc., Hydro Hawkesbury, Hydro Ottawa and
14	Hydro Quebec

2) Hydro 2000 hereby applies to the Ontario Energy Board (the "Board") for an order or 15 16 orders made pursuant to Section 78 of the Ontario Energy Board Act, 1998, as 17 amended, (the "OEB Act") approving just and reasonable rates for the distribution of 18 electricity based on a 2011 test year.

19 3) Specifically, Hydro 2000 hereby applies for an order or orders granting approval of:

- 20 a) its forecasted 2012 base distribution revenue requirement of \$563,134;
- 21 b) distribution rates that allow Hydro 2000 to recover its forecasted 2012 22 distribution revenue requirement, effective May 1, 2012;

23 c) other regulated income of \$20,303;

- d) the disposition of Regulatory Asset, deferral and variance accounts totalling a
 credit of \$263,073;
- e) Hydro 2000's current distribution rates being deemed interim commencing May
 1, 2012 until its proposed distribution rates are implemented; and
- 5 f) other approvals as set out in Exhibit 1, Tab 1, Schedule 3.

4) As indicated a), the utility's proposed 2012 revenue requirement is in the amount of
\$563,134., At the projected load forecast, Hydro 2000 projects a revenue deficiency
of \$173,933 for 2012 if it were to maintain its current rates.

5) The 2012 rates proposed by Hydro 2000 will result in overall monthly bill impacts as follows: a) a Residential customer using 800 kWh's in the summer - a 7.2% increase;
b) a General Service customer less than 50 kW using 2,000 kWh's - a 3.9% increase; c) a General Service customer 50 to 4,999 kW with a demand of 190 kW and energy of 68,500 kWh's – a 5.8% increase; d) Unmetered Scattered Load using 387 kWh's – a 27% increase; and f) Street Lighting with a demand of 80 kW's and energy of 30000 kWh's – an 3.9% increase.

16 6) This Application is made in accordance with the Board's Chapter 2 of the Board's
17 Filing Requirements for Transmission and Distribution Applications dated June 22,
18 2011.

This Application is supported by written evidence. The written evidence will be prefiled and may be amended from time to time, prior to the Board's final decision on
this Application.

8) The Applicant requests that, pursuant to Section 34.01 of the Board's Rules of
Practice and Procedure, this proceeding be conducted by way of written hearing.

9) The Applicant requests that a copy of all documents filed with the Board in this
 proceeding be served on the Applicant and the Applicant's advisor, as follows:

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1	10) The utility attests that publication of the notice will be printed in the newspaper with		
2	the highest circulation. The notice will be printed in both French and English		
3	11) The Applicant: contact information		
4	Rene C. Beaulne		
5	Hydro 2000 Inc.		
6	Manager/CEO		
7	Tel: 613-679-4093		
8	Fax:613-679-4939		
9			
10	The Applicant's advisor:		
11	Elenchus Research Associates		
12	34 King Street East, Suite 600		
13	Toronto, Ontario M5C 2X8		
14			
15	Attention:		
16	Manuela Ris-Schofield		
17	Mris-Schofield@elenchus.ca		
18	Telephone: (416) 562-9295		
19			
20	DATED at Alfred, Ontario, this 11 th day of October, 2011.		

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1	Procedural Orders Motions & Correspondence
2	No procedural orders have been issued to the utility.
3	
4	A decision was issued on October 6 th in response to a combined request from Hydro
5	2000, Renfrew Hydro, Hydro Embrun and Ottawa River Power Corporation seeking an
6	extension in implementing TOU rates.
7	
8	The four utilities each filed for an extension to their October 2011 mandated TOU
9	pricing date and requested a new TOU pricing date of January 2012
10	
11	The Board accepted the utilities reasons for delay, namely that applicants' system
12	upgrade and testing issues has represented operational and technical barriers to
13	implementing TOU pricing. In its October 6 th decision ¹ the Board granted the four
14	utilities and extension until January 31, 2012.
15	

16 A copy of the decision is shown at Attachment 1 of this schedule.

¹ EB-2011-0093, EB-2011-0255, EB-2011-0258, EB-2011-0259

Ontario Energy Board Commission de l'énergie de l'Ontario



EB-2011-0093 EB-2011-0255 EB-2011-0258 EB-2011-0259

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Schedule B;

AND IN THE MATTER OF an application pursuant to section 74 of the *Ontario Energy Board Act, 1998* by Renfrew Hydro Inc., Ottawa River Power Corporation, Hydro 2000 Inc., and Cooperative Hydro Embrun Inc., seeking extensions to their mandated time-of-use pricing dates.

By delegation, before: Theodore Antonopoulos

DECISION AND ORDER

Renfrew Hydro Inc. ("Renfrew") filed an application dated April 1, 2011. Ottawa River Power Corporation ("Ottawa River") filed an application dated July 5, 2011 and Hydro 2000 Inc. ("Hydro 2000") and Cooperative Hydro Embrun Inc. ("Cooperative Embrun") filed separate applications dated July 7, 2011 (collectively "the applicants") with the Ontario Energy Board under section 74 of the *Ontario Energy Board Act, 1998* (the "Act") for licence amendments granting extensions in relation to the mandated date for the implementation of time-of-use ("TOU") pricing rates for Regulated Price Plan ("RPP") consumers. Renfrew's application was assigned file number EB-2011-0093, Ottawa River's application was assigned file number EB-2011-0255, Hydro 2000's application was assigned file number EB-2011-0258. Due to the similar nature of the applications the Board has combined the applications into one proceeding pursuant to section 21(5) of the Act. This decision combines findings for all four of the subject applications.

BACKGROUND

Under cover of a letter to all Ontario electricity distributors dated August 4, 2010, the Ontario Energy Board provided its determination of mandatory dates by which each distributor must bill its RPP customers that have eligible TOU meters using TOU pricing. The Board's determination was made pursuant to sections 3.4 and 3.5 of the Standard Supply Service Code for Electricity Distributors, which requires TOU pricing for RPP consumers with eligible TOU meters, as of the mandatory date. Compliance with this Code is a condition of licence for nearly all licensed electricity distributors in Ontario.

THE APPLICATION

In its original application, Renfrew applied for an extension to its June 2011 TOU pricing date and requested a new date of October 2011. Renfrew stated the extension was necessary as a result of delays experienced implementing testing requirements for Advanced Metering Infrastructure ("AMI") integration with the customer information system. Renfrew also stated that it requested the extension to gain efficiencies by aligning with the October 2011 TOU pricing dates of Ottawa River, Hydro 2000 and Cooperative Embrun.

Following Renfrew's application, Ottawa River, Hydro 2000, and Cooperative Embrun each filed for an extension to their October 2011 mandated TOU pricing date and requested a new TOU pricing date of January 2012. The applicants each stated the extension is necessary to prepare a customer transition to TOU rates, as well as jointly upgrade their AMI system and complete testing with the Independent Electricity System Operator ("IESO") once the IESO completes its system upgrade expected in November 2011. On July 28, 2011 Renfrew filed an amendment to its application to align its requested TOU pricing date with that of the other applicants due to its existing partnership with the applicants during MDM/R integration.

The Board issued a Notice of Application for Renfrew's original application on April 13, 2011 and interrogatories and submissions on the application were invited. Board staff filed a submission on the application stating it had no issues with the request for extension. Renfrew did not reply to the submission.

On July 27, 2011, the Board issued a collective Notice of Application and Written Hearing for the Ottawa River, Hydro 2000 and Cooperative Embrun applications and

interrogatories and submissions on the applications were invited. The applicants responded to interrogatories filed by Board staff, providing more information about the delay and progress to date in implementing TOU pricing. Board staff filed a joint submission on all the applications stating it had no issues with the request for an extension. The applicants did not reply to the submission. No other parties filed interrogatories or submissions on the applications.

In the applications the distributors stated that significant customer distress is expected when customers are faced with larger bills resulting in part from a lack of experience in managing electricity consumption in a TOU environment. The applicants stated that a number of billing cycles was necessary to enable them to work with customers to adapt to the new billing reality. The applicants stated Ottawa River supplies Renfrew, Hydro 2000 and Cooperative Embrun with AMI services to collect customer's data and deliver it to the IESO for processing. The applicants stated that Ottawa River must upgrade its AMI system to version 7.5 to meet the requirements of Measurement Canada. This upgrade is to be coordinated in conjunction with Renfrew, Hydro 2000 and Cooperative Embrun complete testing, the conversion of the AMI system could take place. In addition, the applicants stated that they would have to complete SIT and QT testing after the IESO completes their system upgrade to version 7.2 of their MDM/R system which is expected in November 2011.

In response to Board staff interrogatories, the applicants stated that the period of customer transition would be planned in conjunction with the AMI upgrade and the IESO retesting and if this customer transition period was not implemented it would not affect the requested TOU extension date. The applicants stated that due to having limited resources they would be unable to cut over to different versions of the AMI within a short period of time. The applicants also stated that the collaboration between the utilities began during the smart meter project and that the utilities share consultants, software and computer hardware.

BOARD FINDINGS

I find the applications should be granted as requested. The applicants' system upgrade and testing issues represent operational and technical barriers to implementing TOU pricing. I find that the difficulties and delays encountered to be extraordinary and unanticipated circumstances sufficient to justify an extension to the applicants' mandated TOU pricing dates. The applicants will be exempted from the requirement to apply TOU pricing under the Standard Supply Service Code until January 31, 2012.

However, this finding should not be construed as acceptance that additional time is required to address customer transition to TOU rates. Extraordinary or unanticipated circumstances generally relate to operational or technical issues.

I expect the applicants to work diligently to implement TOU for its customers and provide the Board with timely information regarding the implementation of TOU pricing.

IT IS THEREFORE ORDERED THAT:

- Renfrew Hydro Inc.'s distribution licence ED-2002-0577, specifically Schedule 3, List of Code Exemptions, is amended to include an exemption from the requirement to apply time-of-use pricing by a mandatory date under the Standard Supply Service Code for Electricity Distributors. This exemption will expire on January 31, 2012.
- Ottawa River Power Corporation's distribution licence ED-2003-0033, specifically Schedule 3, List of Code Exemptions, is amended to include an exemption from the requirement to apply time-of-use pricing by a mandatory date under the Standard Supply Service Code for Electricity Distributors. This exemption will expire on January 31, 2012.
- Hydro 2000 Inc.'s distribution licence ED-2002-0542, specifically Schedule 3, List of Code Exemptions, is amended to include an exemption from the requirement to apply time-of-use pricing by a mandatory date under the Standard Supply Service Code for Electricity Distributors. This exemption will expire on January 31, 2012.
- 4. Cooperative Hydro Embrun Inc.'s distribution licence ED-2002-0493, specifically Schedule 3, List of Code Exemptions, is amended to include an exemption from the requirement to apply time-of-use pricing by a mandatory date under the Standard Supply Service Code for Electricity Distributors. This exemption will expire on January 31, 2012.

DATED at Toronto, October 6, 2011

ONTARIO ENERGY BOARD

Original signed by

Theodore Antonopoulos Manager, Electricity Rates

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1	Proposed Issues List
2	
3 4	Hydro 2000 expects that the following matters pertaining to the 2012 Test Year require careful consideration in this Application:
5	Capital spending and related depreciation
6	Spending for Operations, Maintenance and Administration
7	Load forecast
8	Proposed retail delivery rates for transmission and low voltage services
9	Proposed Total Loss Factors
10	Proposed change to the Wholesale Market Service rate
11	Cost of Capital
12	Allowance for Payments in Lieu of Taxes
13	Miscellaneous Revenues and offsets to Base Revenue Requirement
14	Cost Allocation methodology
15	Distribution rate design and proposed base distribution rates
16	• Disposition of deferral and variance account balances, and proposed rate riders
17	Disposition of Stranded Meters
18	Inclusion of Smart Meter Related Capital Expenses into Rate Base

19 • Request for exemption of Green Energy Plan

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Utility Operating Environment

1 2

Hydro 2000 is a licensed electricity distribution business operating in the Township ofAlfred and Plantagenet.

5

Alfred and Plantagenet (2010 population 9600) is a township in eastern Ontario,
Canada, in the United Counties of Prescott and Russell at the confluence of the Ottawa
River and the South Nation River half-way between Ottawa and Montreal.

9

The Township of Alfred, the Township of North Plantagenet, merged on 1 Jan 1997. The
township of Alfred and Plantagenet comprises the communities of Alfred, Alfred Station,
Blue Corners, Centrefield, Coin Gratton, Curran, Glenburn, Jessups Falls, Lefaivre,
Pendleton, Plantagenet, Plantagenet Station, Rockdale, Senecal, The Rollway,
Treadwell, Wendover, and Westminster.

15

Hydro 2000 has 22 kilometers of lines comprised of 18 kilometers of overhead lines and 3 kilometer of underground lines. The lines are made up of 10 kilometers of 3-phase wire, 2 kilometer of 2-phase wire, and 9 kilometers of single-phase wire. Hydro 2000 leases two distribution stations at 4.8KV each. These are supplied by the 44KV in Longueil TS. The first of the 4.8KV distribution station is located approximately 1 km outside of Alfred and the other is located in Plantagenet. Maps are presented at Exhbit 1, Tab 1, Schedule 6. Hydro 2000 is fully embedded to Hydro One

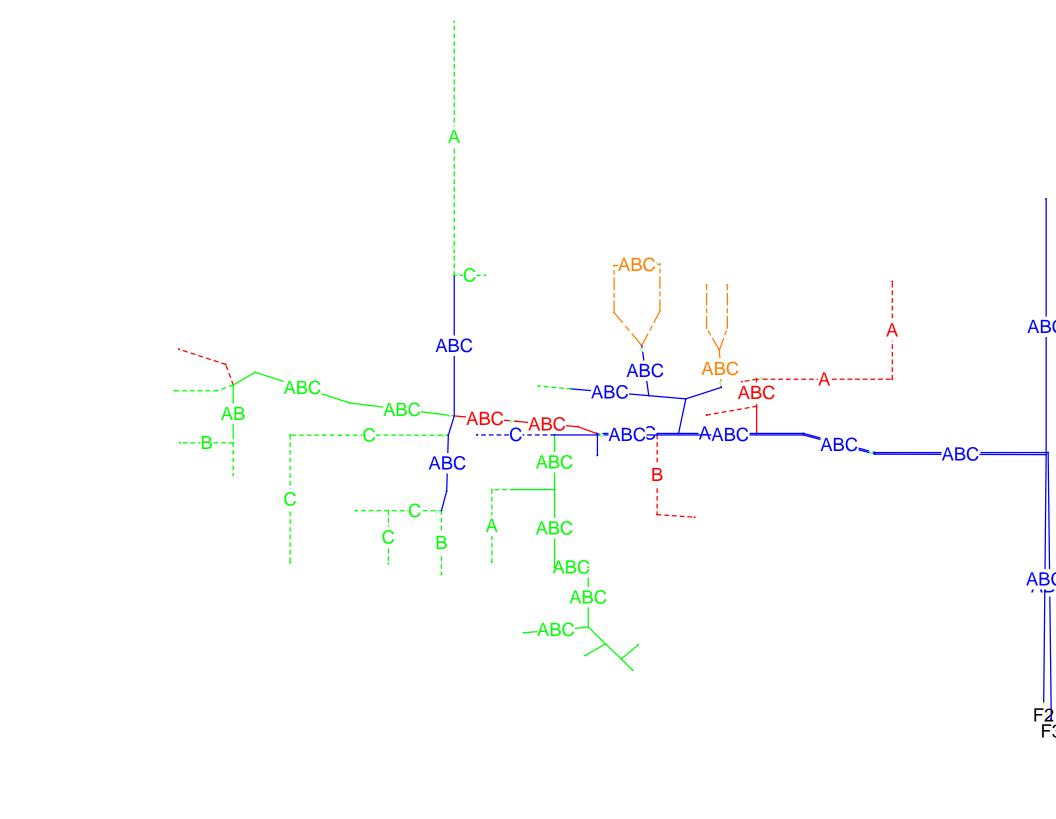
23

Hydro 2000 does not have any affiliates and therefore does not have, nor require a
Service Level Agreements nor does it publish an annual report to its shareholder.

26

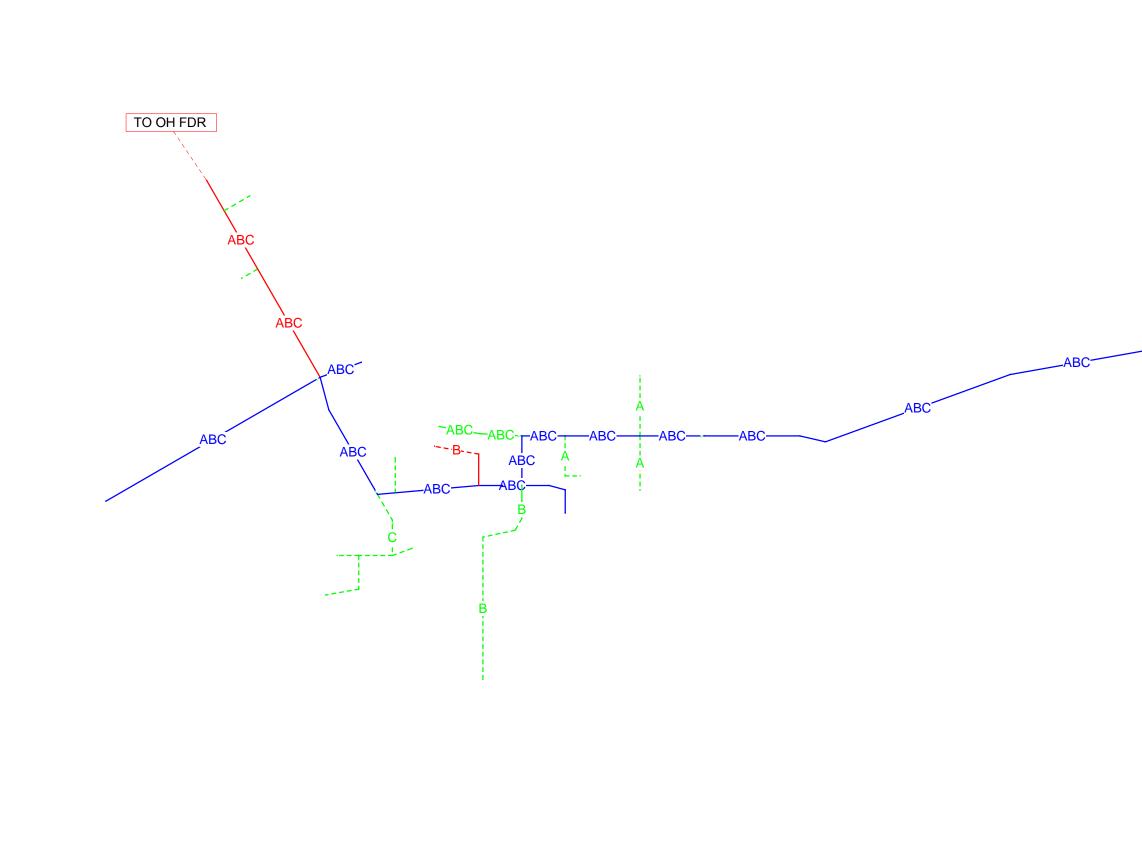
The parent municipalities, The City of Alfred and the City of are the sole shareholders of Hydro 2000. Hydro's board of directors consisting of four members from the City of Alfred/Plantagenet. Two members are from Plantagenet and two are from Alfred.

ALFRED DISTRIBUTION MAP



	Legend Default Layer: Conductor size Colors : #2/0 AWG cable #2 AWG ACSR #1/0 AWG ACSR #3/0 AWG ACSR
	336 kcmil ACSR Line Types: 3-OH 3-UG 2-UG 2-UG A-OH B-OH B-OH C-OH B-UG C-OH B-UG A-UG B-UG C-UG C-UG C-UG
	Symbols : Switch, (C) Load Switch, (O)
С	
<u>Ç</u>	
3	

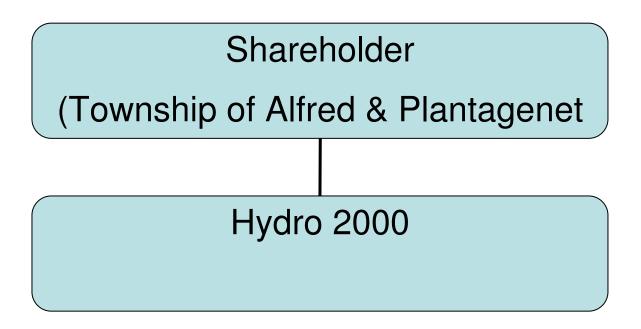
PLANTAGENET DISTRIBUTION MAP



	Legend Default Layer: Conductor size (amps) Colors : #2/0 AWG cable #2 AWG ACSR
	#1/0 AWG ACSR #3/0 AWG ACSR 336 kcmil ACSR
	3-OH 3-UG 2-OH 2-UG A-OH A-OH A-OH B-OH A-UG B-UG C-UG C-UG
	Symbols :
-ABCABCABC	
B	

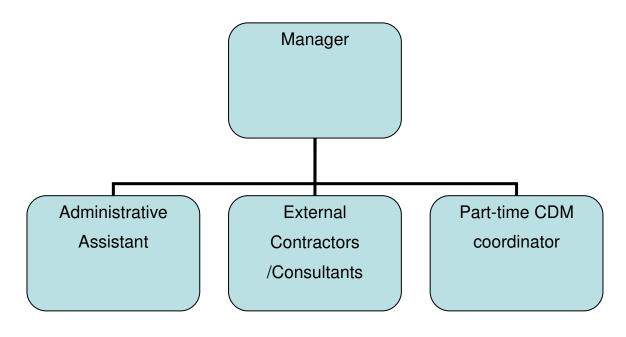
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Corporate Entities Relationships Chart



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Utility Organizational Chart



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Board Direction From Previous EDR Decisions

2

1

- 3 Hydro 2000 has no outstanding directions from previous EDR Decisions.
- 4
- 5

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Accounting Orders

- 1
- 2
- 3 Hydro 2000 has not received any Accounting Orders from the Ontario Energy Board

4 since submitting its last cost of service rate application for 2006 EDR, and no such Order

5 are presently outstanding.

6

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 1 Tab 1 Schedule 8 Page 1 of 1

Compliance Orders

1

2

With the exception of the Decision and Order issued October 6th 2011, regarding the extension of the TOU pricing deadline¹, Hydro 2000 has not received any compliance orders from the Ontario Energy Board since submitting its last cost of service rate application for 2008 EDR, and no such orders are outstanding presently.

¹ EB-2011-0093, EB-2011-0255, EB-2011-0258, EB-2011-0259

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 1 Tab 1 Schedule 9 Page 1 of 1

Other Board Directions

1 2

3 Hydro 2000 has not received any other utility-specific directions from the Ontario Energy

4 Board since submitting its last cost of service rate application for 2008 and no such

5 directions are outstanding presently.

6

7

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 1 Tab 1 Schedule 10 Page 1 of 1

Conditions of Service

- 1 2
- 3 Existing Conditions of service can be found on Hydro 2000's website. Proposed changes
- 4 to the conditions of services are discussed further at Exhibit 8, Tab 4, Schedule 3.

5

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 1 Tab 2

Exhibit 1: Administrative Documents

Tab 2 (of 4): Overview of the Filing

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 1 Tab 2 Schedule 1 Page 1 of 4

1

Summary of Application and Approvals Requested

2

Hydro 2000 is submitting this application for rates that are just and reasonable. The
current rates will result in actual a Return on Equity in 2012 below the level currently
approved by the OEB. The increase in rates is required to:

Maintain current capital investment levels in infrastructure to ensure a safe, reliable
 distribution system.

8 2) Manage human and financial resources, at a levels which will ensure regulatory
9 compliance, ESA compliance, promote conservation programs, implementation of
10 smart meters, prepare for the Green Energy and Green Economy Act requirements,
11 and implement changes required from the adoption of International Financial
12 Reporting Standards and filing its cost of service application.

13 3) Provide a reasonable rate of return to shareholders.

Hydro 2000 has consistently met or exceeded the OEB's Service Quality Indicators, and
continues to review and monitor its progress to ensure these targets are met or
exceeded on a regular basis in 2012.

17

18 In this proceeding, Hydro 2000 is seeking the following approvals:

- Approval to charge rates effective May 1, 2012 to recover a revenue requirement
 of \$563,134, as set out in Exhibit 6, Tab 1, Schedule 2
- Approval of proposed rates as set out in Exhibit 8, Tab 4, Schedule 2,
 Attachment 1.

Approval of the proposed capital structure, with a deemed common equity
 component of 40% and a deemed debt component of 60%, as set out in Exhibit
 5, Tab 1, Schedule 1, Attachment 1 consistent with the Report of the Board on

- Cost of Capital and 2nd Generation Incentive Regulation for Ontario's Electricity
 Distributors dated December 20, 2006.
- Approval of the proposed loss factor as set out in Exhibit 8, Tab 3, Schedule 5,
 Attachment 1.
- Approval to continue to charge Rural Rate Protection Charges approved in the
 OEB Decision and Order in the matter of Hydro 2000's 2010 Distribution Rates
 (EB-2007-0704).
- Approval of the proposed change to the Wholesale Market Service rate as set
 out in Exhibit 8, Tab 4, Schedule 2, Attachment 1.
- Approval of the Retail Transmission Network Service and Retail Transmission
 Connection rates, in accordance with the Guideline for Electricity Distribution
 Retail Transmission Service (G-2008-0001), Revision 1.0 issued July 22, 2009
 and models issued July 7,2011.
- Approval to dispose of Deferral and Variance Account balances as at December
 31, 2010 with interest to April 30, 2011, over a two-year period using the method
 of recovery described in Exhibit 9, Tab 2, Schedule 2, Attachment 2.
- Approval to dispose of the 1588-RSVA/Power variance account, sub-account
 Global Adjustment, by way of a distinct rate rider charged to customers not
 subject to the Regulated Price Plan, as calculated in Exhibit 9, Tab 2, Schedule
 2, Attachment 1.
- Approval to use the Board Approved 1595 account Disposition and Recovery of
 Regulatory Balances and sub-accounts to record the disposition and recoveries
 of Deferral and Variance account balances.
- Approval to use the Board Approved accounts to collect costs in connection with
 the Green Energy and Green Economy Act (GEGEA) described as:

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 1 Tab 2 Schedule 1 Page 3 of 4

1		 1531 – Renewable Connection Capital Deferral Account
2		 1532 – Renewable Connection OM&A Deferral Account
3		 1534 – Smart Grid Capital Deferral Account
4		 1535 – Smart Grid OM&A Deferral Account
5		
6 7	•	Approval of transfer of Smart Meter related capital expenses to Rate Base. Further information can be found at Exhibit 9, Tab 3.
8 9	•	Approval to transfer Smart Meter related operating expenses to the utility's test year OM&A. Further information can be found at Exhibit 9, Tab 3.
10		

1 While Hydro 2000 requests that this Application be disposed of by way of a written 2 hearing, the following preliminary list of potential witnesses is provided in the event that 3 an oral hearing is convened. The *curricula vitae* for the witnesses will be provided in the 4 event of an oral hearing.

- Rene Beaulne, President, General Manager, Hydro 2000, responsible for the overall
 management of the corporation, including regulatory affairs.
- Manuela Ris-Schofield, Senior Consultant, Elenchus Research Associates Inc., has
 extensive experience with a major utility in Ontario where she played key roles in
 filing cost of service applications. Manuela has worked closely with Hydro 2000 tois
 qualified to answer questions regarding the various models used for this application.
- Stephen Motluk, Senior Consultant, Elenchus Research Associates– Stephen
 prepared Hydro 2000's load forecast is qualified to answer questions regarding
 selection of statistical methods and their application to the Load Forecast.
- Andrew Frank & Mike Roger, Consultant, Elenchus Research Associates– Andrew
 and Mike prepared Hydro 2000' s 2012 Cost Allocation and are both qualified to
 answer questions related to the 2012 results.
- 17

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 1 Tab 2 Schedule 2 Attachment do Page 1 of 2

Budget Overview, Directives and Assumptions

2

1

Hydro 2000 compiles budget information for three major components of the budgeting
process: revenue forecasts, operation, maintenance and administration forecasts and
capital forecast. Budget information was prepared for both the Bridge and Test Years.
Bridge forecasts were updated based on actual 2009 results, and the 2010 Test Year

7 projections were also reviewed in light of 2009 results.

8 **REVENUE FORECAST**

9 The revenue budget includes three components: energy revenue, distribution revenue10 and other revenue.

11

12 The energy revenue for 2012 was forecast using the weather normalized load forecast

13 prepared by Elenchus Research Associates ("ERA") as presented in Exhibit 3, Tab 1,

14 Schedule 2, Attachment 1. Rates for energy pass-through charges are described in

15 Exhibit 3, Tab 1, Schedule 3.

16

17 Distribution revenue was forecast using the weather normalized volumes multiplied by

18 both current approved distribution rates and by proposed rates in order to project

19 revenue for the 2012 test year. Other revenues were reviewed on an item by item basis

20 with each account projection being determined based on the most reliable historical

21 indicator.

22

23 **OPERATIONS, MAINTENANCE AND EXPENSE FORECAST**

24 The OM&A expense for the Bridge and Test Years were forecast using work plans,

capital budgets and prior years historical costs. The expenditures were submitted to the

26 Board of Directors for approval.

27

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 1 Tab 2 Schedule 2 Attachment do Page 2 of 2

1 CAPITAL BUDGET

- 2 The capital budget is formulated on a project by project basis. Hydro 2000 completes
- 3 inspections throughout the year while performing maintenance on the distribution system
- 4 and other infrastructure. From these inspections capital projects are identified and
- 5 prioritized for the upcoming year's budget.
- 6
- 7 Capital spending is attributed primarily to the replacement of existing aging infrastructure
- 8 in order to maintain safe and reliable delivery of electricity to Hydro 2000's customers.
- 9
- 10 Additional information on Hydro 2000's approach to investment planning is included in
- 11 Exhibit 2, Tab 4, Schedule 2.
- 12

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 1 Tab 2 Schedule 3 Page 1 of 1

Changes in Methodology

- 1
- 2

3 The pro-forma projections for the 2012 test year were prepared in accordance with 4 Hydro 2000's usual process, including the directions and assumptions described in the 5 preceding attachment.

6 Note that Hydro 2000's application is being filed on the basis of CGAAP.

7 At page 13 of the minimum filing requirements, the Board makes reference to a letter 8 issued on March 15, 2011 expressing the Board's belief that distributors whose rates are 9 being rebased for 2012 should make all reasonable efforts to file test year forecasts for 10 their cost of service applications using modified IFRS. The Board noted that, since 11 utilities must transition to IFRS in 2012 for financial reporting purposes, the filing of a 12 cost of service application using the same accounting system as is required to be used 13 in a distributor's financial statements is expected to minimize future complexities and 14 associated costs.

The Board's letter further stated that a distributor, for whom preparing a modified IFRS
based application would impose an unreasonable burden, might file under CGAAP but
must provide an explanation of this choice as part of its rate application filing.

18

Justification for Hydro 2000's decision to file its application under CGAAP is discussed atExhibit 4, Tab 2, Schedule 2.

21



Version 2.20

Hydro 2000 Inc. **Revenue Deficiency/Sufficiency**

		Initial Appl	ication			Per Board D	ecision
Line No.	Particulars	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$248,835		\$195,794		\$511.539
2	Distribution Revenue	\$314,301	\$314,299	\$314.301	\$367,340	\$ -	(\$511,539)
3	Other Operating Revenue Offsets - net	\$20,303	\$20,303	\$ -	\$- \$	\$ -	\$ -
4	Total Revenue	\$334,604	\$583,437	\$314,301	\$563,134	\$ -	\$ -
5 6	Operating Expenses Deemed Interest Expense	\$511,539 \$29,652	\$511,539 \$29,652	\$511,539 \$ -	\$511,539 \$ -	\$511,539 \$ -	\$511,539 \$ -
-	Total Cost and Expenses	\$541,191	\$541,191	\$511,539	\$511,539	\$511,539	\$511,539
7	Utility Income Before Income Taxes	(\$206,587)	\$42,246	(\$197,238)	\$51,595	(\$511,539)	(\$511,539)
8	Tax Adjustments to Accounting Income per 2009 PILs	(\$7,872)	(\$7,872)	(\$7,872)	(\$7,872)	\$ -	\$ -
9	Taxable Income	(\$214,459)	\$34,374	(\$205,110)	\$43,723	(\$511,539)	(\$511,539)
10	Income Tax Rate	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%
11	Income Tax on Taxable Income	(\$33,241)	\$5,328	(\$31,792)	\$6,777	(\$79,289)	(\$79,289)
12	Income Tax Credits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	Utility Net Income	(\$173,346)	\$36,918	(\$165,446)	(\$516,867)	(\$432,250)	(\$516,867)
14	Utility Rate Base	\$963,469	\$963,469	\$963,469	\$963,469	\$963,469	\$963,469
	Deemed Equity Portion of Rate Base	\$385,388	\$385,388	\$ -	\$ -	\$ -	\$ -
15	Income/(Equity Portion of Rate Base)	-44.98%	9.58%	0.00%	0.00%	0.00%	0.00%
16	Target Return - Equity on Rate Base	9.58%	9.58%	0.00%	0.00%	0.00%	0.00%
17	Deficiency/Sufficiency in Return on Equity	-54.56%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Indicated Rate of Return	-14.91%	6.91%	-17.17%	0.00%	-44.86%	0.00%
19	Requested Rate of Return on Rate Base	6.91%	6.91%	0.00%	0.00%	0.00%	0.00%
20	Deficiency/Sufficiency in Rate of Return	-21.82%	0.00%	-17.17%	0.00%	-44.86%	0.00%
21	Target Return on Equity	\$36,920	\$36,920	\$ -	\$ -	\$ -	\$ -
22 23	Revenue Deficiency/(Sufficiency) Gross Revenue Deficiency/(Sufficiency)	\$210,266 \$248,835 (1)	(\$2)	\$165,446 \$195,794 (1	\$-	\$432,250 \$511,539 (1)	\$ -

Notes: (1)

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

		Ontario Energy Board REVENUE REQUIREMENT WORK FORM Version 2.20	
Choose Your Utility:	File Number:	Rate Year:	
Hearst Power Distribution Company Limited Horizon Utilities Corporation Hydro 2000 Inc.	▲ EB-2011-XXX	2012	

Application Contact Information

Name:	Rene Beaulne
Title:	General Manager
Phone Number:	613-679-4093
Email Address:	aphydro@hawk.igs.net



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Hydro 2000 Inc. Data Input⁽¹⁾

		Initial Application				(6)	Per Board Decision
1	Rate Base Gross Fixed Assets (average) Accumulated Depreciation (average) Allowance for Working Capital:	\$1,042,597 (\$493,060)	(5)	\$	1,042,597 <mark>(\$493,060)</mark>		\$1,042,597 (\$493,060)
	Controllable Expenses Cost of Power Working Capital Rate (%)	\$434,834 \$2,324,713 15.00%		\$ \$	434,834 2,324,713 15.00%		\$434,834 \$2,324,713 15.00%
2	Utility Income Operating Revenues:						
	Distribution Revenue at Current Rates Distribution Revenue at Proposed Rates Other Revenue:	\$314,301 \$563,134					
	Specific Service Charges Late Payment Charges Other Distribution Revenue Other Income and Deductions	\$3,738 \$6,120 \$10,445					
	Total Revenue Offsets	\$20,303	(7)				
	Operating Expenses: OM+A Expenses Depreciation/Amortization Property taxes Other expenses	\$434,834 \$76,705		\$ \$	434,834 76,705		\$434,834 \$76,705
3	Taxes/PILs						
	Taxable Income: Adjustments required to arrive at taxable income Utility Income Taxes and Rates: Income taxes (not grossed up) Income taxes (grossed up) Federal tax (%) Provincial tax (%)	(\$7,872) \$4,502 \$5,328 11.00% 4.50%	(3)				
	Income Tax Credits	4.50 %					
4	Capitalization/Cost of Capital Capital Structure: Long-term debt Capitalization Ratio (%) Short-term debt Capitalization Ratio (%) Common Equity Capitalization Ratio (%) Prefered Shares Capitalization Ratio (%)	56.0% 4.0% 40.0% 100.0%	(2)			(2)	(2)
	Cost of Capital Long-term debt Cost Rate (%) Short-term debt Cost Rate (%) Common Equity Cost Rate (%) Prefered Shares Cost Rate (%)	5.32% 2.46% 9.58%					

Notes:

General Data inputs are required on Sheets 3, 10A and 10B. Data from Sheet 3 will automatically complete calculations on sheets 4 through 9 (Rate Base through Revenue Requirement). Sheets 4 through 9 do not require any inputs except for notes that the Applicant may wish to enter to support the results. Pale green cells are available on sheets 4 through 9 to enter both footnotes beside key cells and the related text for the notes at the bottom of each sheet.

All inputs are in dollars (\$) except where inputs are individually identified as percentages (%) 4.0% unless an Applicant has proposed or been approved for another amount. Net of addbacks and deductions to arrive at taxable income.

(1) (2) (3) (4) (5) (6)

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

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

Select option from drop-down list by clicking on cell M10. This column allows for the application update reflecting the end of discovery or Argument-in-Chief. Also, the outcome of any Settlement Process can be reflected. Input total revenue offsets for deriving the base revenue requirement from the service revenue requirement

(7)



Version 2.20

Hydro 2000 Inc. **Rate Base and Working Capital**

Rate Base

Line No.	Particulars	_	Initial Application					Per Board Decision
1 2	Gross Fixed Assets (average) Accumulated Depreciation (average)	(3) _(3)	\$1,042,597 (\$493,060)	\$ - \$ -	\$1,042,597 (\$493,060)		-	\$1,042,597 (\$493,060)
3	Net Fixed Assets (average)	(3)	\$549,537	\$ -	\$549,537	9	-	\$549,537
4	Allowance for Working Capital	_(1)	\$413,932	\$ -	 \$413,932		<u>-</u>	\$413,932
5	Total Rate Base	=	\$963,469	<u> </u>	 \$963,469	9	<u>-</u>	\$963,469

Allowance for Working Capital - Derivation

(1)		0 - F					
6 7 8	Controllable Expenses Cost of Power Working Capital Base		\$434,834 <u>\$2,324,713</u> \$2,759,547	\$ - <u>\$ -</u> \$ -	\$434,834 <u>\$2,324,713</u> \$2,759,547	\$ - <u>\$ -</u> \$ -	\$434,834 <u>\$2,324,713</u> \$2,759,547
9	Working Capital Rate %	(2)	15.00%	0.00%	15.00%	0.00%	15.00%
10	Working Capital Allowance	=	\$413,932	\$ -	\$413,932	\$ -	\$413,932

<u>Notes</u> (2) (3)

Some Applicants may have a unique rate as a result of a lead-lag study. Average of opening and closing balances for the year.



Line No.	Particulars	Initial Application				Per Board Decision
1	Operating Revenues: Distribution Revenue (at Proposed Rates)	\$563,134	(\$563,134)	\$ -	\$ -	\$ -
2	Other Revenue	(1) \$20,303	(\$20,303)	\$ -	\$ -	\$ -
3	Total Operating Revenues	\$583,437	(\$583,437)	\$ -	<u> </u>	\$ -
4 5 6 7 8	Operating Expenses: OM+A Expenses Depreciation/Amortization Property taxes Capital taxes Other expense	\$434,834 \$76,705 \$ - \$ - \$ - \$ -	\$ - \$ - \$ - \$ - \$ -	\$434,834 \$76,705 \$ -	\$ - \$ - \$ - \$ - \$ -	\$434,834 \$76,705 \$ -
9	Subtotal (lines 4 to 8)	\$511,539	\$ -	\$511,539	\$ -	\$511,539
10	Deemed Interest Expense	\$29,652	(\$29,652)	<u> </u>	<u> </u>	<u> </u>
11	Total Expenses (lines 9 to 10)	\$541,191	(\$29,652)	\$511,539	<u> </u>	\$511,539
12	Utility income before income taxes	\$42,246	(\$553,785)	(\$511,539)	<u>\$ -</u>	(\$511,539)
13	Income taxes (grossed-up)	\$5,328	\$ -	\$5,328	\$ -	\$5,328
14	Utility net income	\$36,918	(\$553,785)	(\$516,867)	<u> </u>	(\$516,867)
<u>Notes</u>	Other Revenues / Reve	nue Offsets				
(1)	Specific Service Charges Late Payment Charges Other Distribution Revenue	\$3,738 \$6,120 \$10,445		\$ - \$ - \$ -		\$ - \$ - \$ -

N

Other Income and Deductions Total Revenue Offsets

4

\$ -

\$-

\$20,303



Version 2.20

Hydro 2000 Inc. **Taxes/PILs**

Line No.	Particulars	Application		Per Board Decision
	Determination of Taxable Income			
1	Utility net income before taxes	\$36,920	\$ -	\$ -
2	Adjustments required to arrive at taxable utility income	(\$7,872)	\$ -	(\$7,872)
3	Taxable income	\$29,048	<u>\$ -</u>	(\$7,872)
	Calculation of Utility income Taxes			
4	Income taxes	\$4,502	\$4,502	\$4,502
6	Total taxes	\$4,502	\$4,502	\$4,502
7	Gross-up of Income Taxes	\$826	\$826	\$826
8	Grossed-up Income Taxes	\$5,328	\$5,328	\$5,328
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	\$5,328	\$5,328	\$5,328
10	Other tax Credits	\$ -	\$ -	\$ -
	Tax Rates			
11 12 13	Federal tax (%) Provincial tax (%) Total tax rate (%)	11.00% 4.50% 15.50%	11.00% 4.50% 15.50%	11.00% 4.50% 15.50%

Notes



Version 2.20

Hydro 2000 Inc. Capitalization/Cost of Capital

Line No.	Particulars	Capita	alization Ratio	Cost Rate	Return
			Initial Application		
	Debt	(%)	(\$)	(%)	(\$)
1 2 3	Long-term Debt Short-term Debt Total Debt	56.00% 4.00% 60.00%	\$539,543 \$38,539 \$578,081	5.32% 2.46% 5.13%	\$28,704 \$948 \$29,652
4 5 6	Equity Common Equity Preferred Shares Total Equity	40.00% 0.00% 40.00%	\$385,388 <u>\$ -</u> \$385,388	9.58% 0.00% 9.58%	\$36,920 <u>\$ -</u> \$36,920
7	Total	100.00%	\$963,469	6.91%	\$66,572
1 2 3 4 5 6 7	Debt Long-term Debt Short-term Debt Total Debt Equity Common Equity Preferred Shares Total Equity Total	(%) 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%	(\$)
			Per Board Decision		
8 9 10	Debt Long-term Debt Short-term Debt Total Debt	(%) 0.00% 0.00%	(\$) \$ - \$ -	(%) 5.32% 2.46% 0.00%	(\$) \$ - \$ - \$ - \$ -
11 12 13	Equity Common Equity Preferred Shares Total Equity	0.00% 0.00% 0.00%	\$ - \$ - \$ -	9.58% 0.00% 0.00%	\$ - \$ - \$ -

<u>Notes</u> (1)

14

Total

4.0% unless an Applicant has proposed or been approved for another amount.

0.00%

\$963,469

0.00%

\$ -



Version 2.20

Hydro 2000 Inc. **Revenue Deficiency/Sufficiency**

		Initial Appl	ication			Per Board D	ecision
Line No.	Particulars	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$248,835		\$195,794		\$511.539
2	Distribution Revenue	\$314,301	\$314,299	\$314.301	\$367,340	\$ -	(\$511,539)
3	Other Operating Revenue Offsets - net	\$20,303	\$20,303	\$ -	\$- \$	\$ -	(¢011,000) \$-
4	Total Revenue	\$334,604	\$583,437	\$314,301	\$563,134	\$ -	\$ -
5 6	Operating Expenses Deemed Interest Expense	\$511,539 \$29,652	\$511,539 \$29,652	\$511,539 \$ -	\$511,539 \$ -	\$511,539 \$ -	\$511,539 \$ -
·	Total Cost and Expenses	\$541,191	\$541,191	\$511,539	\$511,539	\$511,539	\$511,539
7	Utility Income Before Income Taxes	(\$206,587)	\$42,246	(\$197,238)	\$51,595	(\$511,539)	(\$511,539)
8	Tax Adjustments to Accounting Income per 2009 PILs	(\$7,872)	(\$7,872)	(\$7,872)	(\$7,872)	\$ -	\$ -
9	Taxable Income	(\$214,459)	\$34,374	(\$205,110)	\$43,723	(\$511,539)	(\$511,539)
10	Income Tax Rate	15.50%	15.50%	15.50%	15.50%	15.50%	15.50%
11	Income Tax on Taxable Income	(\$33,241)	\$5,328	(\$31,792)	\$6,777	(\$79,289)	(\$79,289)
12	Income Tax Credits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	Utility Net Income	(\$173,346)	\$36,918	(\$165,446)	(\$516,867)	(\$432,250)	(\$516,867)
14	Utility Rate Base	\$963,469	\$963,469	\$963,469	\$963,469	\$963,469	\$963,469
	Deemed Equity Portion of Rate Base	\$385,388	\$385,388	\$ -	\$ -	\$ -	\$ -
15	Income/(Equity Portion of Rate Base)	-44.98%	9.58%	0.00%	0.00%	0.00%	0.00%
16	Target Return - Equity on Rate Base	9.58%	9.58%	0.00%	0.00%	0.00%	0.00%
17	Deficiency/Sufficiency in Return on Equity	-54.56%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Indicated Rate of Return	-14.91%	6.91%	-17.17%	0.00%	-44.86%	0.00%
19	Requested Rate of Return on Rate Base	6.91%	6.91%	0.00%	0.00%	0.00%	0.00%
20	Deficiency/Sufficiency in Rate of Return	-21.82%	0.00%	-17.17%	0.00%	-44.86%	0.00%
21	Target Return on Equity	\$36,920	\$36,920	\$ -	\$ -	\$ -	\$ -
22 23	Revenue Deficiency/(Sufficiency) Gross Revenue Deficiency/(Sufficiency)	\$210,266 \$248,835 (1)	(\$2)	\$165,446 \$195,794 (1	\$-	\$432,250 \$511,539 (1)	\$ -

Notes: (1)

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



Version 2.20

Hydro 2000 Inc. **Revenue Requirement**

Line No.	Particulars	Application				Per Board Decision
1	OM&A Expenses	\$434,834		\$434,834		\$434,834
2	Amortization/Depreciation	\$76,705		\$76,705		\$76,705
3	Property Taxes	\$ -				
5	Income Taxes (Grossed up)	\$5,328		\$5,328		\$5,328
6	Other Expenses	\$ -				
7	Return					
	Deemed Interest Expense	\$29,652		\$ -		\$ -
	Return on Deemed Equity	\$36,920		\$ -		\$ -
8	Service Revenue Requirement					
	(before Revenues)	\$583,439		\$516,867		\$516,867
9	Revenue Offsets	\$20,303		\$ -		\$ -
10	Base Revenue Requirement	\$563,136		\$516,867		\$516,867
11	Distribution revenue	\$563,134		\$ -		\$ -
12	Other revenue	\$20,303		\$ -		\$-
13	Total revenue	\$583,437		\$ -		\$ -
14	Difference (Total Revenue Less Distribution Revenue					
	Requirement before Revenues)	(\$2)	(1)	(\$516,867)	(1)	(\$516,867

<u>Notes</u> (1)

Line 11 - Line 8



C Application of New Loss Factor to all applicable items

C Application of new Loss Factor to Delivery Items Only

			Current Board-Approved					Proposed					Impact		
				Rate	Volume		harge		Rate	Volume	Charge				%
		Charge Unit		(\$)			(\$)		(\$)			(\$)	\$ C	hange	Change
1	Monthly Service Charge		\$	8.5300	1	\$	8.53	\$	12.8700	1	\$	12.87	\$	4.34	50.88%
2	Smart Meter Rate Adder		\$	1.6900	1	\$	1.69			1	\$	-	-\$	1.69	-100.00%
3	Service Charge Rate Adder(s)				1	\$	-			1	\$	-	\$	-	
4	Service Charge Rate Rider(s)				1	\$	-			1	\$	-	\$	-	
5	Distribution Volumetric Rate		\$	0.0060	800	\$	4.80	\$	0.0146	800	\$	11.68	\$	6.88	143.33%
6	Low Voltage Rate Adder		\$	0.0055	800	\$	4.40	\$	0.0042	800	\$	3.36	-\$	1.04	-23.64%
7	Volumetric Rate Adder(s)				800	\$	-			800	\$	-	\$	-	
8	Volumetric Rate Rider(s)				800	\$	-			800		-	\$	-	
9	Smart Meter Disposition Rider				800	\$	-			800	\$	-	\$	-	
10	LRAM & SSM Rate Rider				800	\$	-	\$		800	\$	0.64	\$	0.64	
11	Deferral/Variance Account		-\$	0.0017	800	-\$	1.36	-\$	0.0048	800	-\$	3.84	-\$	2.48	182.35%
	Disposition Rate Rider														
12	Late Payment Charge		\$	0.2000	1	\$	0.20				\$	-	-\$	0.20	-100.00%
13	Stranded Meter Rate Rider					\$	-	\$	0.0002	800	\$	0.16	\$	0.16	
14						\$	-				\$	-	\$	-	
15						\$	-				\$	-	\$	-	
16	Sub-Total A - Distribution					\$	18.26				\$	24.87	\$	6.61	36.20%
17	RTSR - Network		\$	0.0057	808.528	\$	4.61	\$	6 0.0054	808.618	\$	4.37	-\$	0.24	-5.25%
18	RTSR - Line and		\$	0.0045	808.528	¢	3.64	9	6 0.0043	808.618	¢	3.48	-\$	0.16	-4.43%
	Transformation Connection		φ	0.0045	000.020	φ	3.04	4	0.0043	000.010	φ		- φ	0.10	-4.43%
19	Sub-Total B - Delivery					\$	26.51				\$	32.71	\$	6.21	23.41%
	(including Sub-Total A)														
20	Wholesale Market Service		\$	0.0052	808.528	\$	4.20	\$	0.0052	808.618	\$	4.20	\$	0.00	0.01%
	Charge (WMSC)														
21	Rural and Remote Rate		\$	0.0013	808.528	\$	1.05	\$	0.0013	808.618	\$	1.05	\$	0.00	0.01%
	Protection (RRRP)														
22	Special Purpose Charge				808.528		-			808.618		-	\$	-	
23	Standard Supply Service Charge		\$	0.2500	1	\$	0.25	\$		1	Ψ	0.25	\$	-	0.00%
24	Debt Retirement Charge (DRC)		\$	0.0070	800	\$	5.60	\$	0.0070	800	\$	5.60	\$	-	0.00%
25	Energy		\$	0.0666	808.528	\$	53.85	\$	0.0694	808.618	\$	56.10	\$	2.25	4.19%
26						\$	-				\$	-	\$	-	
27						\$	-				\$	-	\$	-	
28	Total Bill (before Taxes)					\$	91.46				\$	99.92	\$	8.46	9.25%
29	HST			13%		\$	11.89		13%		\$	12.99	\$	1.10	9.25%
30	Total Bill (including Sub-total					\$	103.35				\$	112.91	\$	9.56	9.25%
	В)		 												
31	Ontario Clean Energy Benefit			-10%		-\$	10.34		-10%		-\$	11.29	-\$	0.95	9.19%
	(OCEB)		L												
32	Total Bill (including OCEB)					\$	93.01				\$	101.62	\$	8.61	9.26%
33	Loss Factor (%)	Note 1		1.07%					1.08%]					

800 kWh Consumption

Notes: (1): Enter existing and proposed total loss factor (Secondary Metered Customer < 5,000 kW) as a percentage.



Application of New Loss Factor to all applicable items

Application of new Loss Factor to Delivery Items Only

			Current Board-Approved			ed	Proposed					Impact			
				Rate	Volume	0	Charge		Rate	Volume	Charge			%	
		Charge Unit		(\$)			(\$)		(\$)			(\$)	\$ C	Change	Change
1	Monthly Service Charge		\$	24.6100	1	\$	24.61	\$	29.5000	1	\$	29.50	\$	4.89	19.87%
2	Smart Meter Rate Adder		\$	1.6900	1	\$	1.69			1	\$	-	-\$	1.69	-100.00%
3	Service Charge Rate Adder(s)				1	\$	-			1	\$	-	\$	-	
4	Service Charge Rate Rider(s)				1	\$	-			1	\$	-	\$	-	
5	Distribution Volumetric Rate		\$	0.0081	2000	\$	16.20	\$	0.0150	2000	\$	30.00	\$	13.80	85.19%
6	Low Voltage Rate Adder		\$	0.0051	2000	\$	10.20	\$	0.0042	2000	\$	8.40	-\$	1.80	-17.65%
7	Volumetric Rate Adder(s)				2000	\$	-			2000	\$	-	\$	-	
8	Volumetric Rate Rider(s)				2000	\$	-			2000	\$	-	\$	-	
9	Smart Meter Disposition Rider				2000	\$	-			2000	\$	-	\$	-	
10	LRAM & SSM Rider				2000	\$	-	\$	0.0001	2000	\$	0.20	\$	0.20	
11	Deferral/Variance Account		-\$	0.0017	2000	-\$	3.40	-\$	0.0048	2000	-\$	9.60	-\$	6.20	182.35%
	Disposition Rate Rider														
12	Late Payment Charge		\$	0.5700	1	\$	0.57				\$	-	-\$	0.57	-100.00%
13	Stranded Meter Rate Rider					\$	-	\$	0.0002	2000	\$	0.40	\$	0.40	
14						\$	-	\$	0.0001	2000	\$	0.20	\$	0.20	
15						\$	-				\$	-	\$	-	
16	Sub-Total A - Distribution					\$	49.87				\$	59.10	\$	9.23	18.51%
17	RTSR - Network		\$	0.0052	2021.32	\$	10.51	\$	0.0049	2021.54	\$	9.91	-\$	0.61	-5.76%
18	RTSR - Line and		\$	0.0045	2021.32		9.10	\$		2021.54		8.69	-\$	0.40	-4.43%
	Transformation Connection		Ŧ			*		-			Ŧ				
19	Sub-Total B - Delivery					\$	69.48				\$	77.70	\$	8.22	11.83%
	(including Sub-Total A)					٣	00.40				٣		Ť	0.22	11.0070
20			\$	0.0052	2021.32	\$	10.51	\$	0.0052	2021.54	\$	10.51	\$	0.00	0.01%
20	Charge (WMSC)		Ŷ	0.0002	2021.02	Ψ	10.01	Ψ	0.0002	2021.04	Ψ	10.01	Ŷ	0.00	0.0170
21	• • •		\$	0.0013	2021.32	\$	2.63	\$	0.0013	2021.54	¢	2.63	\$	0.00	0.01%
21	Protection (RRRP)		Ψ	0.0010	2021.02	Ψ	2.00	Ψ	0.0010	2021.04	Ψ	2.00	Ψ	0.00	0.0170
22	Special Purpose Charge				2021.32	\$	_			2021.54	¢	_	\$	-	
23	Standard Supply Service Charge		\$	0.2500	2021.02	\$	0.25	\$	0.2500	2021.04	\$ \$	0.25	\$	_	0.00%
24	Debt Retirement Charge (DRC)		\$	0.0070	2000		14.00	\$		2000		14.00	\$	-	0.00%
25	Energy		\$	0.0666	2000		134.62	φ \$		2000		140.25	\$	5.63	4.19%
26	Lifeigy		φ	0.0000	2021.32	φ \$	134.02	φ	0.0034	2021.34	9 \$	140.25	\$	5.05	4.1370
27						φ \$	-				φ S	-	\$	-	
28	Total Bill (before Taxes)		-			\$	231.49	F			\$	245.34	\$	13.86	5.99%
20	HST		-	13%		₽ \$	30.09	┢	13%		\$ \$	31.89	\$	1.80	5.99%
29 30	Total Bill (including Sub-total		-	13%		Ŧ		-	13%						
30	B)					\$	261.58				\$	277.24	\$	15.66	5.99%
•	,		-	100/			00.40	⊢	100(•	07.70	-	4 50	5.000/
31	Ontario Clean Energy Benefit			-10%		-\$	26.16		-10%		-\$	27.72	-\$	1.56	5.96%
	(OCEB)		<u> </u>			_		⊨					F		
32	Total Bill (including OCEB)					\$	235.42	L			\$	249.52	\$	14.10	5.99%
~~	Loss Factor	(4)	r	1.07%				_	1.08%						
33	LOSS FACIOF	(1)		1.07%					1.08%						

Consumption 2000 kWh

Notes:

(1): See Note (1) from Sheet 10A. Bill Impacts - Residential

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 1 Tab 3

Exhibit 1: Administrative Documents

Tab 3 (of 4): Financial Information

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 1 Tab 3 Schedule 1 Page 1 of 1

Historical Financial Statements

3 The following audited financial statements are attached:

1

2

4 **Table 1: Audited Financial Statements** Attachment 1 Year ended 31 December, 2008 Attachment 2 Year ended 31 December, 2009 Attachment 3 Year ended 31 December, 2010 5 6

Attachment 1 (of 3):

2008 Audited Statements with 2007 comparative information

Financial Statements of États financiers de

HYDRO 2000 INC.

December 31, 2008 31 décembre 2008

Deloitte.

Deloitte and Touche LLP 300 McGill Street Hawkesbury, Ontario K6A 1P8

Tel: (613) 632-4178 Fax: (613) 632-7703 www.deloitte.ca

Auditors' Report

To the Directors of Hydro 2000 Inc.

We have audited the balance sheet of Hydro 2000 Inc. as at December 31, 2008 and the statements of earnings and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles

Rapport des vérificateurs

Aux administrateurs de Hydro 2000 Inc.

Nous avons vérifié le bilan de Hydro 2000 Inc. au 31 décembre 2008 et les états des résultats et bénéfices non répartis et des flux de trésorerie de l'exercice terminé à cette date. La responsabilité de ces états financiers incombe à la direction de la Société. Notre responsabilité consiste à exprimer une opinion sur ces états financiers en nous fondant sur notre vérification.

Notre vérification a été effectuée conformément aux normes de vérification généralement reconnues du Canada. Ces normes exigent que la vérification soit planifiée et exécutée de manière à fournir l'assurance raisonnable que les états financiers sont exempts d'inexactitudes importantes. La vérification comprend le contrôle par sondages des éléments probants à l'appui des montants et des autres éléments d'information fournis dans les états financiers. Elle comprend également l'évaluation des principes comptables suivis et des estimations importantes faites par la direction, ainsi qu'une appréciation de la présentation d'ensemble des états financiers.

À notre avis, ces états financiers donnent, à tous les égards importants, une image fidèle de la situation financière de la Société au 31 décembre 2008 ainsi que des résultats de son exploitation et de ses flux de trésorerie pour l'exercice terminé à cette date selon les principes comptables généralement reconnus du Canada.

Leloitled Vouche ALP

Chartered Accountants Licensed Public Accountants

> Hawkesbury, Ontario March 17, 2009

Comptables agréés Experts-comptables autorisés

Hawkesbury, Ontario Le 17 mars 2009

HYDRO 2000 INC. Financial statements December 31, 2008

HYDRO 2000 INC. États financiers 31 décembre 2008

	Page	
Statement of earnings and retained earnings	1	État des résultats et bénéfices non répartis
Balance sheet	2	Bilan
Statement of cash flows	3	État des flux de trésorerie
Notes to the financial statements	4 - 10	Notes complémentaires

HYDRO 2000 INC. Statement of earnings and retained earnings year ended December 31, 2008

HYDRO 2000 INC. État des résultats et bénéfices non répartis exercice terminé le 31 décembre 2008

	 2008	 2007	
REVENUE (note 10)			REVENUS (note 10)
Energy	\$ 1 996 170	\$ 2 069 093	Énergie
Distribution	274 818	241 453	Distribution
	2 270 988	2 310 546	
COST OF POWER	1 996 170	2 069 093	COÛT DE L'ÉNERGIE
	274 818	241 453	
OTHER OPERATING REVENUE	33 344	45 286	AUTRES PRODUITS
	308 162	286 739	
EXPENSES			DÉPENSES
Operation maintenance	71 458	73 455	Exploitation
Billing and collection	150 749	139 827	Facturation et perception
Administration	40 192	36 224	Administration
Amortization of capital assets	51 895	48 438	Amortissement des immobilisations corporelles
Amortization of contribution for			Amortissement des apports pour
capital assets	(4 351)	(3 427)	immobilisations corporelles
Amortization of incorporation fees	463	463	Amortissement des frais d'incorporation
	310 406	294 980	
LOSS BEFORE INCOME TAXES	(2 244)	(8 241)	PERTE AVANT IMPÔTS SUR LE REVENU
Income taxes	= = 40	00.440	Impôts sur le revenu
Current	7 713	29 116	Courant
Recoverable on rates	-	(39 327)	Recouvrable sur les taux
Future	(22 230)	8 698	Futurs
	(14 517)	(1 513)	
NET EARNINGS (LOSS)	12 273	(6 728)	BÉNÉFICE NET (PERTE)
RETAINED EARNINGS, BEGINNING			
OF YEAR	406 781	413 509	BÉNÉFICES NON RÉPARTIS AU DÉBUT
RETAINED EARNINGS, END OF YEAR	\$ 419 054	\$ 406 781	BÉNÉFICES NON RÉPARTIS À LA FIN

HYDRO 2000 INC. Balance sheet as at December 31, 2008				HYDRO 2000 INC. Bilan au 31 décembre 2008
	2008		2007	
CURRENT ASSETS Cash Accounts receivable (note 4) Inventories Unbilled revenue Prepaid expenses Income taxes	\$ 596 347 191 030 18 276 400 038 51 562 16 287	\$	663 460 192 614 18 276 399 351 7 882	ACTIF À COURT TERME Encaisse Débiteurs (note 4) Stocks Revenus non facturés Frais payés d'avance Impôts sur le revenu
	1 273 540		1 281 583	
INCORPORATION FEES	878		1 341	FRAIS D'INCORPORATION
OTHER ASSETS (note 5)	289 997		354 014	AUTRES ACTIFS (note 5)
CAPITAL ASSETS (note 6)	411 903		374 890	IMMOBILISATIONS CORPORELLES (note 6)
	\$ 1 976 318	\$	2 011 828	
CURRENT LIABILITIES Accounts payable Other current liabilities Income taxes	\$ 552 363 196 693 -	\$	530 949 165 865 5 113	PASSIF À COURT TERME Créditeurs Autres frais courus Impôts sur le revenu Tranche de billet à payer échéant
Current portion of note payable (note 8) Current portion of other long-term liabilities (note 8)	26 532 76 473		25 131 90 584	à moins d'un an (note 7) Tranche des autres passifs à long terme échéant à moins d'un an (note 8)
	852 061		817 642	
NOTE PAYABLE (note 7)	273 050		299 582	BILLET À PAYER (note 7)
FUTURE INCOME TAXES	53 423		75 653	IMPÔTS FUTURS
OTHER LONG-TERM LIABILITIES (note 8)	69 995		103 435	AUTRES PASSIFS À LONG TERME (note 8)
	1 248 529		1 296 312	
SHAREHOLDER'S EQUITY Share capital (note 9) Retained earnings	308 735 419 054		308 735 406 781	CAPITAUX PROPRES Capital-actions (note 9) Bénéfices non répartis
	727 789		715 516	
	\$ 1 976 318	\$	2 011 828	
ON BEHALF OF THE BOARD				AU NOM DU CONSEIL
Director _				Administrateur
Director _				Administrateur
		2		

HYDRO 2000 INC. Statement of cash flows year ended December 31, 2008

HYDRO 2000 INC. État des flux de trésorerie exercice terminé le 31 décembre 2008

	 2008	 2007	
OPERATING			EXPLOITATION
Net earnings (loss)	\$ 12 273	\$ (6 728)	Bénéfice net (perte)
Adjustments for:			Ajustements pour:
Amortization of incorporation fees	463	463	Amortissement des frais d'incorporation
			Amortissement des immobilisations
Amortization of capital assets	51 895	48 438	corporelles
Amortization of contribution for			Amortissement des apports pour
capital assets	(4 351)	(3 427)	immobilisations corporelles
Future income taxes	(22 230)	8 698	Impôts futurs
Changes in non-cash operating working			Variation des éléments hors caisse du fonds
capital items (note 11)	(11 941)	194 881	de roulement d'exploitation (note 11)
	26 109	242 325	
FINANCING			FINANCEMENT
Decrease of other long-term liabilities	(47 551)	(79 052)	Diminution des autres passifs à long terme
Repayment of note payable	(25 131)	(23 803)	Remboursement du billet à payer
			Augmentation des apports pour
Increase of contribution for capital assets	4 395	41 817	immobilisations corporelles
	(68 287)	(61 038)	
INVESTING			INVESTISSEMENT
Acquisition of capital assets	(88 952)	(90 093)	Acquisition d'immobilisations corporelles
Decrease of other assets	(00 332) 64 017	91 539	Diminution des autres actifs
	••••	01000	
	(24 935)	1 446	
NET CASH INFLOW (OUTFLOW)	(67 113)	182 733	AUGMENTATION (DIMINUTION) DE L'ENCAISSE
CASH, BEGINNING OF YEAR	663 460	480 727	ENCAISSE AU DÉBUT
CASH, END OF YEAR	\$ 596 347	\$ 663 460	ENCAISSE À LA FIN

Additional information is presented in note 11.

Des renseignements complémentaires sont présentés à la note 11.

The Corporation is incorporated under the Ontario Business Corporations Act and is engaged in the distribution of electricity.

2. Changes in accounting policies

Inventories

The company adopted the recommendations of CICA Handbook Section 3031 on inventories which provides guidance on the determination of cost of inventories and its subsequent recognition as an expense, and includes additional disclosure requirements. The new Section also requires to account for the reversal of write-downs previously recognized when there is a subsequent increase in the value of inventories. This accounting policy, which was adopted as of January 1, 2008, was applied retroactively and the comparative financial statements have been restated to reflect this change. The adoption of this section had no impact on the financial statements.

3. Accounting policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles with rate regulation specifications described under the other assets heading for electricity distributors as required by the Ontario Energy Board and set forth in the Accounting Procedures Handbook:

Financial instruments

Financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below. Their classification depends on the purpose, for which the financial instruments were acquired or issued, their characteristics and the Corporation's designation of such instruments. Settlement date accounting is used.

Classification

Cash/Held for trading Accounts receivable/Loans and receivables Unbilled revenue/Loans and receivables Accounts payable/Other liabilities Other current liabilities/Other liabilities

Held for trading

Held for trading financial assets are financial assets typically acquired for resale prior to maturity or that are designated as held for trading. They are measured at fair value at the balance sheet date. Fair value fluctuations including interest earned, interest accrued, gains and losses realized on disposal and unrealized gains and losses are included in other income.

1. Description de l'entreprise

La Société est constituée en vertu de la Loi sur les sociétés par actions de l'Ontario et se spécialise dans la distribution de l'électricité.

2. Modifications de conventions comptables

Stocks

La Société a adopté les recommandations du chapitre 3031 du Manuel de l'ICCA qui fournit davantage de directives concernant la détermination du coût des stocks et sa comptabilisation ultérieure en charges en plus d'exiger des informations connexes supplémentaires. La nouvelle norme exige également la reprise de toute perte de valeur comptabilisée antérieurement lorsque survient une augmentation subséquente de la valeur des stocks. Cette convention comptable, qui a été adoptée à compter du 1er janvier 2008, a été appliquée rétrospectivement et les états financiers des exercices antérieurs ont été retraités pour tenir compte de cette modification. L'adoption de ce chapitre n'a eu aucune incidence sur les états financiers.

3. Conventions comptables

Les états financiers ont été préparés conformément aux principes comptables généralement reconnus du Canada et tiennent compte des particularités énumérées sous la rubrique des autres actifs pour les distributeurs d'électricité tel que requis par la Commission de l'Énergie de l'Ontario et établis dans le "Accounting Procedures Handbook" :

Instruments financiers

Les actifs financiers et les passifs financiers sont constatés initialement à la juste valeur et leur évaluation ultérieure dépend de leur classement, comme il est décrit ci-après. Leur classement dépend de l'objet visé lorsque les instruments financiers ont été acquis ou émis, de leurs caractéristiques et de leur désignation par la Société. La comptabilisation à la date de règlement est utilisée.

Classification

Encaisse/Détenus à des fins de transaction Débiteurs/Prêts et créances Revenus non facturés/Prêts et créances Créditeurs/Autres passifs Autres frais courus/Autres passifs

Détenus à des fins de transaction

Les actifs financiers détenus à des fins de transaction sont des actifs financiers qui sont généralement acquis en vue d'être revendus avant leur échéance ou qui ont été désignés comme étant détenus à des fins de transaction. Ils sont mesurés à la juste valeur à la date de clôture. Les fluctuations de la juste valeur qui incluent les intérêts gagnés, les intérêts courus, les gains et pertes réalisés sur cession et les gains et pertes non réalisés sont inclus dans les autres produits.

3. Accounting policies (continued)

Financial instruments (continued)

Loans and receivables

Loans and receivables are accounted for at amortized cost using the effective interest method.

Other liabilities

Other liabilities are recorded at amortized cost using the effective interest method and include all financial liabilities, other than derivative instruments.

Transaction costs

Transaction costs related to held for trading financial assets are expensed as incurred. Transaction costs related to available-for-sale financial assets, held-to-maturity financial assets, other liabilities and loans and receivables are netted against the carrying value of the asset or liability and are then recognized over the expected life of the instrument using the effective interest method.

Inventories

Inventories are valued at the lower of average cost and net realizable value.

Capital assets and amortization

Capital assets are recorded at cost. Amortization is calculated on the basis of the straight-line method with reference to estimated useful lives of the assets in accordance with Ontario Energy Board policy at the following terms:

	<u>Years</u>
Distribution equipment	25
Office equipment	10
Computer equipment	5

Acquisitions made during the year are amortized at half the normal rate.

Incorporation fees

Incorporation fees are accounted at cost and amortized using the straight-line method over a ten year period.

Customers' deposits

Deposits are taken to guarantee the payment of power bills or contract performance.

3. Conventions comptables (suite)

Instruments financiers (suite)

Prêts et créances

Les prêts et créances sont comptabilisés au coût après amortissement selon la méthode du taux d'intérêt effectif.

Autres passifs

Les autres passifs sont comptabilisés au coût après amortissement selon la méthode du taux d'intérêt effectif et comprennent tous les passifs financiers autres que les instruments dérivés.

Coûts de transaction

Les coûts de transaction liés aux actifs financiers détenus à des fins de transaction sont passés en charge au moment où ils sont engagés. Les coûts de transaction liés aux actifs financiers disponibles à la vente, aux actifs financiers détenus jusqu'à leur échéance, aux autres passifs et aux prêts et créances sont comptabilisés en diminution de la valeur comptable de l'actif ou du passif et sont ensuite constatés sur la durée de vie prévue de l'instrument selon la méthode du taux d'intérêt effectif.

Stocks

Les stocks sont évalués au moins élevé du coût moyen de la valeur nette de réalisation.

Immobilisations corporelles et amortissement

Les immobilisations corporelles sont comptabilisées au coût. L'amortissement est calculé selon la méthode de l'amortissement linéaire répartie sur la durée estimative de vie utile de l'immobilisation selon les politiques de la Commission de l'énergie de l'Ontario aux termes suivants:

Équipement de distribution	25
Équipement de bureau	10
Équipement informatique	5

Années

Les acquisitions de l'année sont amorties à la moitié du taux normal.

Frais d'incorporation

Les frais d'incorporation sont comptabilisés au coût et amortis linéairement sur une période de dix ans.

Dépôts de clients à long terme

Des dépôts sont pris en garantie de paiement de la facturation ou de contrat.

、 /

3. Accounting policies (continued)

Impairment of long-lived assets

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when their carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

Other assets

Purchased power costs are included in allowed rates on a forecast basis. For rate-setting purposes, differences between forecast and actual purchased power costs in the rate year are held until the following year, when their final disposition is decided. Hydro 2000 Inc. recognizes purchased power cost variances as a regulatory asset or liability, based on the expectation that amounts held from one year to the next for rate-setting purposes will be approved for collection from, or refund to, customers. In the absence of rate regulation, generally accepted accounting principles would require that actual purchased power costs be recognized as an expense when incurred.

The assets, other than variances, are recorded at cost in accordance with accounting principles as required by the Ontario Energy Board.

For certain of the regulatory items identified above, the expected recovery or settlement period, or likelihood of recovery or settlement, is affected by risks and uncertainties relating to the ultimate authority of the regulator in determining the item's treatment for rate-setting purposes. Any disallowed costs will be expensed in the year that they are disallowed.

Recoveries for these assets are presented in a separate account until the Ontario Energy Board approves the recoveries. At that time, recoveries will be applied against the regulated assets.

The financial statements effects of rate regulation are presented in note 13.

Revenue recognition

The Corporation recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred, the price to the buyer is fixed or determinable and collection is reasonably assured.

3. Conventions comptables (suite)

Dépréciation d'actifs à long terme

Les actifs à long terme sont soumis à un test de recouvrabilité lorsque des événements ou des changements de situation indiquent que leur valeur comptable pourrait ne pas être recouvrable. Une perte de valeur est constatée lorsque leur valeur comptable excède les flux de trésorerie non actualisés découlant de leur utilisation et de leur sortie éventuelle. La perte de valeur constatée est mesurée comme étant l'excédent de la valeur comptable de l'actif sur sa juste valeur.

Autres actifs

Les coûts associés à l'énergie achetée sont pris en compte dans les tarifs autorisés, sur une base prévisionnelle. Aux fins de l'établissement des tarifs, les écarts entre les coûts prévus et les coûts réels associés à l'énergie achetée au cours de l'année de tarification sont laissés en suspens jusqu'à l'année suivante, au cours de laguelle leur traitement définitif est déterminé. Hydro 2000 Inc. comptabilise les écarts de coûts associés à l'énergie achetée à titre d'actif ou de passif réglementaire, parce que la Société s'attend à obtenir l'autorisation de recouvrer auprès des clients futurs les montants laissés en suspens d'une année à l'autre aux fins de l'établissement des tarifs, ou à devoir rembourser les montants à ces clients. Si les tarifs n'étaient pas réglementés, les coûts réels associés à l'énergie achetée devraient être passés en charges au moment où ils sont engagés, selon les principes comptables généralement reconnus.

Les actifs autres que les écarts de prix ont aussi été établis selon les règles de la Commission de l'Énergie. Ils ont été comptabilisés au coût.

Dans le cas de certains des éléments réglementaires mentionnés ci-dessus, les risques et incertitudes découlant du pouvoir ultime de l'autorité de réglementation de déterminer le traitement de l'élément aux fins de la tarification influent sur la période prévue de recouvrement ou de règlement, ou sur la probabilité de recouvrement ou de règlement. Les montants refusés seront imputés aux résultats dans l'année où ils seront refusés.

Les recouvrements pour tous ces frais sont identifiés dans un compte distinct et seront appliqués contre les actifs suite à l'approbation par la Commission de l'Énergie.

Les effets de la règlementation des tarifs sont décris à la note 13.

Constatation des produits

La Société constate ses produits lorsqu'il existe des preuves convaincantes de l'existence d'un accord, que les marchandises sont expédiées aux clients, que le prix est déterminé ou déterminable et que l'encaissement est raisonnablement assuré.

3. Accounting policies (continued)

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

4. Accounts receivable

HYDRO 2000 INC.

3. Convention comptables (suite)

Utilisations d'estimations

Dábitoure

6. Immobilisations corporelles

Dans le cadre de la préparation des états financiers, la direction doit établir des estimations et des hypothèses qui ont une incidence sur les montants des actifs et des passifs présentés et sur la présentation des actifs et des passifs éventuels à la date des états financiers, ainsi que sur les montants des produits d'exploitation et des charges constatés au cours de la période visée par les états financiers. Les résultats réels pourraient varier par rapport à ces estimations.

4. Accounts receivable	2008	2007	4. Debiteurs
Electrical energy Other	\$ 168 881 30 818	\$ 162 021 40 321	Énergie électrique Autres
	199 699	202 342	
Allowance for doubtful account	(8 669)	(9 728)	Provision pour mauvaises créances
	\$ 191 030	\$ 192 614	
5. Other assets			5. Autres actifs
LV - Wheeling Other regulatory assets Payments in lieu of income taxes Amounts to recover	\$ 74 564 - 37 586 177 847	\$ 68 704 55 229 39 679 190 402	Distribution à faible tension Autres actifs réglementés Paiements versés en remplacement d'impôts Montant à récupérer
	\$ 289 997	\$ 354 014	

6. Capital assets

		Accumulated amortization/ Amortisse-	Net bool Valeur		
	Cost/Coût	ment cumulé	2008	2007	
Distribution equipment Office equipment Computer equipment Capital contribution	\$ 740 566 3 861 100 151 (110 995)	\$ 287 645 3 077 41 327 (10 369)	\$ 452 921 784 58 824 (100 626)	\$ 457 681 559 17 232 (100 582)	Équipement de distribution Équipement de bureau Équipement informatique Apports en immobilisations
	\$ 733 583	\$ 321 680	\$ 411 903	\$ 374 890	

HYDRO 2000 INC. Notes to the Financial Statements year ended December 31, 2008

2008	2007
\$ 299 582	\$ 324 713
26 532	25 131
\$ 273 050	\$ 299 582
\$ 8 302 42 449 30 130 65 587	\$ 4 853 25 401 34 738 129 027
146 468 76 473	194 019 90 584
\$ 69 995	\$ 103 435
	26 532 \$ 273 050 \$ 8 302 42 449 30 130 65 587 146 468 76 473

Amount owed to Hydro One is to be repaid as follows: 2009, \$ 52 008 and 2010, \$ 13 579.

9. Share capital

Authorized, unlimited number

Class A voting shares Class B voting shares, non-participating

Class C non-voting shares, non-participating

Issued

1 Class A share

7. Billet à payer

Billet à payer au Canton d'Alfred-Plantagenet, au taux de 5.5%, en versements semiannuels de \$ 21 324 incluant les intérêts

Portion à court terme

Les versements en capital à effectuer au cours des cinq prochains exercices sont les suivants : 2009, \$ 26 532 ; 2010, \$ 28 011 ; 2011, \$ 29 573 ; 2012, \$ 31 222 and 2013, \$ 32 963.

8. Autres passifs à long terme

Portion à court terme

Les sommes dues à Hydro One doivent être remboursées de la façon suivante : 2009, \$ 52 008 et 2010, \$ 13 579.

9. Capital-actions

Autorisé, nombre illimité

Actions de classe A, votantes Actions de classe B, votantes, non participantes Actions de classe C, non votantes, non participantes

Émis

\$ 308 735

1 action de classe A

\$ 308 735

HYDRO 2000 INC. Notes complémentaires exercice terminé le 31 décembre 2008

10. Revenue		2008		2007	10. Revenus
ENERGY		2000			ÉNERGIE
Residential General < 50 KW General < 50 KW - USL General > 50 KW Street light		202 751 391 021 1 116 365 456 35 826 996 170		1 241 147 407 237 1 506 383 072 36 131 2 069 093	Résidentiel Général < 50 KW Général < 50 KW - Charges sans compteur Général > 50 KW Éclairage des rues
DISTRIBUTION	φ	556 170	Ψ	2 009 093	DISTRIBUTION
Service charge Distribution volume Administration charge Retailer charge	\$	148 480 121 326 3 379 1 633 274 818	\$	125 306 111 351 3 350 1 446 241 453	Revenus de gestion Revenus de livraison Revenus d'administration Revenus des détaillants
11. Additional information relating to the statement of cash flows					11. Renseignements complémentaires à l'état des flux de trésorerie
Changes in non-cash operating working capital items					Variation des éléments hors caisse du fonds de roulement d'exploitation
Accounts receivable Inventories Unbilled revenue Prepaid expenses Income taxes Accounts payable Other current liabilities	\$	1 584 - (687) (43 680) (21 400) 21 414 30 828	\$	5 741 (2 670) (19 232) (123) (5 098) 228 209 (11 946)	Débiteurs Inventaire Revenus non facturés Frais payés d'avance Impôts sur le revenu Créditeurs Autres frais courus
	\$	(11 941)	\$	194 881	
Other information					Autres renseignements
Interest paid Income taxes paid	\$ \$	17 517 29 113	\$ \$	18 845 34 214	Intérêts payés Impôts payés
12. Related party transactions					12. Opérations entre apparentés
The following amounts were paid to the Township of Alfred-Plantagenet, the only shareholder of the Corporation					Les montants suivants ont été versés au Canton d'Alfred-Plantagenet, l'unique action- naire de la Société
Long-term debt Principal Interest Rent	\$	25 131 17 517 8 231	\$	23 803 18 845 8 031	Dette à long terme Principal Intérêts Loyer
	\$	50 879	\$	50 679	

HYDRO 2000 INC. Notes to the Financial Statements year ended December 31, 2008

13. Financial statement's effects of rate regulation

-	2008	2007
Loss before income taxes in accordance with accounting principles for electricity distributers as required by the Ontario Energy Board	\$ (2 244)	\$ (8 241)
Expenses included in other assets		· (-)
	(73 268)	(48 399)
Carrying charges on other assets	(1 205)	(5 826)
Amortization of capital assets included in other assets	-	(1 718)
Amortization of a billing contract	-	(6 420)
Refused other regulatory assets	-	1 780
Recoveries	107 015	211 144
Adjusted earnings before income taxes and before the effect of the regulation on the financial statements	\$ 30 298	\$ 142 320

14. Financial instrument

Fair value

The fair value of cash, accounts receivable, accounts payable and other current liabilities approximates their carrying values due to their short-term maturity.

The fair value of note payable approximates its carrying value as it has financing conditions similar to those currently available to the Corporation.

HYDRO 2000 INC. Notes complémentaires exercice terminé le 31 décembre 2008

13. Effets de la réglementation des tarifs sur les états financiers

Perte avant impôts sur le revenu conformément aux principes comptables pour les distributeurs d'électricité tels que requis par la Commission de l'Énergie de l'Ontario					
Dépenses incluses dans les autres actifs					
Frais d'intérêts sur les autres actifs					
Amortissement des immobilisations corporel- les inclus dans les autres actifs					
Amortissement d'un contrat pour la facturation					
Autres actifs règlementés refusés					
Recouvrements					
Bénéfice avant impôts sur le revenu et avant l'effet de la réglementation sur les états financiers					

14. Instrument financier

Juste valeur

Les justes valeurs de l'encaisse, des débiteurs, des créditeurs et autres frais courus correspondent approximativement à leur valeur comptable en raison de leur échéance à court terme.

La juste valeur du billet à payer correspond approximativement à sa valeur comptable étant donné que la dette comporte des conditions de financement que la Société pourrait obtenir actuellement.

Attachment 2 (of 3):

2009 Audited Statements with 2008 comparative information

Financial statements of États financiers de

Hydro 2000 Inc.

December 31, 2009 31 décembre 2009

Hydro 2000 Inc. Financial statements

December 31, 2009

Hydro 2000 Inc. États financiers 31 décembre 2009

Auditors' Report	1	Rapport des vérificateurs
Statement of earnings	2	État des résultats
Statement of retained earnings	3	État des bénéfices non répartis
Balance sheet	4	Bilan
Statement of cash flows	5	État des flux de trésorerie
Notes to the financial statements	6 - 16	Notes complémentaires

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Deloitte.

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Auditors' Report

To the Directors of Hydro 2000 Inc.

We have audited the balance sheet of Hydro 2000 Inc. as at December 31, 2009 and the statements of earnings, retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles

Rapport des vérificateurs

Aux administrateurs de Hydro 2000 Inc.

Nous avons vérifié le bilan de Hydro 2000 Inc. au 31 décembre 2009 et les états des résultats, des bénéfices non répartis et des flux de trésorerie de l'exercice terminé à cette date. La responsabilité de ces états financiers incombe à la direction de la Société. Notre responsabilité consiste à exprimer une opinion sur ces états financiers en nous fondant sur notre vérification.

Notre vérification a été effectuée conformément aux normes de vérification généralement reconnues du Canada. Ces normes exigent que la vérification soit planifiée et exécutée de manière à fournir l'assurance raisonnable que les états financiers sont exempts d'inexactitudes importantes. La vérification comprend le contrôle par sondages des éléments probants à l'appui des montants et des autres éléments d'information fournis dans les états financiers. Elle comprend également l'évaluation des principes comptables suivis et des estimations importantes faites par la direction, ainsi qu'une appréciation de la présentation d'ensemble des états financiers.

À notre avis, ces états financiers donnent, à tous les égards importants, une image fidèle de la situation financière de la Société au 31 décembre 2009 ainsi que des résultats de son exploitation et de ses flux de trésorerie pour l'exercice terminé à cette date selon les principes comptables généralement reconnus du Canada.

Lelostled Vouche LLP

Chartered Accountants Licensed Public Accountants

> Hawkesbury, Ontario March 24, 2010

Comptables agréés Experts-comptables autorisés

Hawkesbury, Ontario Le 24 mars 2010

Statement of earnings year ended December 31, 2009

Hydro 2000 Inc.

État des résultats de l'exercice terminé le 31 décembre 2009

	2009	2008	
Revenue (Note 10)		 	Revenus (note 10)
Energy	\$ 2 089 909	\$ 1 988 826	Énergie
Distribution	328 740	265 687	Distribution
	2 418 649	2 254 513	
Cost of power	2 089 909	1 988 826	Coût de l'énergie
	328 740	265 687	
Other operating revenue	36 423	68 412	Autres revenus
	365 163	334 099	
Expenses			Charges
Operation maintenance	94 744	71 458	Exploitation
Billing and collection	161 893	185 309	Facturation et perception
Administration	37 873	40 192	Administration
Amortization of capital assets	57 421	51 895	Amortissement des immobilisations corporelles
Amortization of contribution for			Amortissement des apports pour
capital assets	(5 036)	(4 351)	immobilisations corporelles
Amortization of incorporation fees	878	463	Amortissement des frais d'incorporation
	347 773	344 966	
Earnings (loss) before income taxes	17 390	(10 867)	Bénéfice (perte) avant impôts sur les bénéfices
Income taxes			Impôts sur les bénéfices
Current	10 221	7 713	Courant
Future	(7 410)	(22 230)	Futurs
	2 811	(14 517)	
Net earnings	\$ 14 579	\$ 3 650	Bénéfice net

Hydro 2000 Inc. Statement of retained earnings year ended December 31, 2009

Hydro 2000 Inc. État des bénéfices non répartis de l'exercice terminé le 31 décembre 2009

	2009	2008	
Balance, beginning of year			Solde au début
As previously reported	\$ 369 939	\$ 406 781	Solde déjà établi
Changes in accounting policies (Note 2)	39 327	(40 492)	Modifications de conventions comptables (note 2)
As restated	409 266	366 289	Solde redressé
Net earnings	14 579	3 650	Bénéfice net
Balance, end of year	\$ 423 845	\$ 369 939	Solde à la fin

Hydro 2000 Inc.

Balance sheet as at December 31, 2009

Bilan 31 décembre 2009

		2009		2008	
Assets					Actif
Current assets					À court terme
Cash	\$	314 786	\$	596 347	Encaisse
Accounts receivable (note 4)		227 017		166 000	Débiteurs (note 4)
Inventories		-		18 276	Stocks
Prepaid expenses		39 985		51 562	Charges payées d'avance
Income taxes		13 779		16 287	Impôts sur les bénéfices
		595 567		848 472	
Incorporation fees		-		878	Frais d'incorporation
Other assets (Note 5)		411 568		275 934	Autres actifs (note 5)
Capital assets (Note 6)		439 046		411 903	Immobilisations corporelles (note 6)
	\$	1 446 181	\$	1 537 187	
Liabilities					Passif
Current liabilities					À court terme
Accounts payable	\$	75 402	\$	44 375	Créditeurs
Other current liabilities	•	180 302	Ŧ	196 693	Autres frais courus
					Tranche de billet à payer échéant
Current portion of note payable (Note 7)		31 222		26 532	à moins d'un an (note 7)
Current portion of other long-term					Tranche des autres passifs à long terme
liabilities (Note 8)		43 039		76 473	échéant à moins d'un an (note 8)
		329 965		344 073	
Note payable (Note 7)		184 244		273 050	Billet à payer (note 7)
Future income taxes		6 686		53 423	Impôts futurs
Other long-term liabilities (Note 8)		192 706		187 967	Autres passifs à long terme (note 8)
		713 601		858 513	
Shareholder's equity					Capitaux propres
Share capital (Note 9)		308 735		308 735	Capital-actions (note 9)
Retained earnings		423 845		369 939	Bénéfices non répartis
		732 580		678 674	
	\$	1 446 181	\$	1 537 187	
Approved by the Board					Au nom du conseil
Director					Administrateur

Director

Administrateur

Statement of cash flows year ended December 31, 2009

Hydro 2000 Inc.

État des flux de trésorerie de l'exercice terminé le 31 décembre 2009

	2009	2008	
Operating activities			Activités d'exploitation
Net earnings	\$ 14 579	\$ 3 650	Bénéfice net
Items not affecting cash:			Éléments sans effet sur la trésorerie:
Amortization of incorporation fees	878	463	Amortissement des frais d'incorporation
			Amortissement des immobilisations
Amortization of capital assets	57 421	51 895	corporelles
Amortization of contribution for			Amortissement des apports pour
capital assets	(5 036)	(4 351)	immobilisations corporelles
Future income taxes	(7 410)	(22 230)	Impôts futurs
Changes in non-cash operating working			Variation des éléments hors caisse du fonds
capital items (Note 11)	(14 020)	(43 300)	de roulement d'exploitation (note 11)
	46 412	(13 873)	
Investing activities			Activités d'investissement
Acquisition of capital assets	(109 287)	(88 952)	Acquisition d'immobilisations corporelles
(Decrease) increase of other assets	(135 634)	98 730	(Diminution) augmentation des autres actifs
	(244 921)	9 778	
Financing activities			Activités de financement
Decrease of other long-term liabilities	(28 695)	(42 282)	Diminution des autres passifs à long terme
Repayment of note payable	(84 116)	(25 131)	Remboursement du billet à payer
			Augmentation des apports pour
Increase of contribution for capital assets	29 759	4 395	immobilisations corporelles
	(83 052)	(63 018)	
			Diminution nette de la trésorerie et des
Net decrease in cash and cash equivalents	(281 561)	(67 113)	équivalents de trésorerie
Cash, beginning of year	596 347	663 460	Encaisse au début
Cash, end of year	\$ 314 786	\$ 596 347	Encaisse à la fin

1. Description of business

The Corporation is incorporated under the Ontario Business Corporations Act and is engaged in the distribution of electricity.

2. Changes in accounting policies

Energy

For the year ended December 31, 2009, the Corporation was given the choice of two methods to account for its energy revenues and expenses and distribution revenues. The purpose was to improve distributors' conformity to the Ontario Energy Board's procedures and guidance and to present comparable results on a quarterly basis.

The Corporation decided to account for its energy and distribution revenues when billed to customers. The energy expenses are accounted for when the invoices are received. The impact of this change was an increase in earnings before income taxes of \$21 643. This change was applied retrospectively.

Capital disclosures

The Corporation adopted the recommendations of CICA Handbook Section 1535, Capital Disclosures. This Section requires the disclosure of information about externally imposed capital requirements. The required disclosures are included in Note 7.

Financial instruments

In January 2009, the Corporation adopted EIC-173, Credit risk and the fair value of financial assets and financial liabilities issued by the Emerging Issues Committee. This abstract requires that an entity's own credit risk for financial liabilities and the credit risk of the counterparty for financial assets should be taken into account in determining the fair value of financial assets and financial liabilities.

The Corporation also adopted the changes made by CICA to Section 3862, *Financial instruments – Disclosures* whereby an entity shall classify and disclose fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following levels:

Level 1 - valuation based on unadjusted prices for identical assets or liabilities;

1. Description de l'entreprise

La Société est constituée en vertu de la Loi sur les sociétés par actions de l'Ontario et se spécialise dans la distribution de l'électricité.

2. Modifications de conventions comptables

Énergie

Pour l'exercice terminé le 31 décembre 2009, la Société devait choisir entre deux méthodes pour comptabiliser ses revenus et dépenses d'énergie ainsi que ses revenus de distribution. Le but était d'améliorer le respect par les distributions des procédures et directives émises par la Commission de l'Énergie de l'Ontario ainsi que la présentation de résultats comparables sur une base trimestrielle.

La Société a choisi de présenter ses revenus d'énergie et de distribution lorsqu'ils sont facturés. Les dépenses d'énergie sont inscrites lorsque les factures sont reçues. L'impact de ce changement a été une augmentation du bénéfice avant impôts sur les bénéfices de \$ 21 643. Ce changement a été appliqué de façon rétroactive.

Informations à fournir concernant le capital

La Société a adopté les recommandations du chapitre 1535 du Manuel de l'ICCA intitulé "Informations à fournir concernant le capital". Ce chapitre exige la présentation d'informations sur les exigences concernant le capital en vertu de règles extérieures. Les informations exigées sont fournies dans la note 7.

Instruments financiers

En janvier 2009, la Société a adopté l'abrégé des délibérations du Comité sur les problèmes nouveaux CPN-173 intitulé « Risque de crédit et juste valeur des actifs financiers et des passifs financiers », selon lequel la juste valeur des instruments financiers doit tenir compte du risque de crédit de la contrepartie en ce qui concerne les actifs et du risque de crédit de la Société en ce qui concerne les passifs.

La Société a également adopté les modifications apportées par l'ICCA au chapitre 3862 intitulé « Instruments financiers – informations à fournir ». Ces modifications exigent de présenter dans les états financiers la répartition des évaluations à la juste valeur des instruments financiers selon une hiérarchie qui reflète l'importance des données utilisées pour réaliser ces évaluations. La hiérarchie des évaluations à la juste valeur se compose des niveaux suivants :

Niveau 1 - évaluation fondée sur les prix non rajustés pour des actifs ou passifs identiques;

Notes complémentaires 31 décembre 2009

2. Changes in accounting policies (continued)

Financial instruments (continued)

Level 2 - valuation techniques based on inputs other than prices included in Level 1 that are observable for the asset or liability, either directly or indirectly;

Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The required disclosures are included in Note 15.

Future accounting changes

New accounting framework

As required by the Canadian Accounting Standards Board, Canadian Generally Accepted Accounting Principles for publicly accountable enterprises will transition to International Financial Reporting Standards ("IFRS"), effective January 1, 2011. The impact of this transition has not yet been determined.

3. Accounting policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles with rate regulation specifications described under the other assets heading for electricity distributors as required by the Ontario Energy Board and set forth in the Accounting Procedures Handbook:

Financial instruments

Financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below. Their classification depends on the purpose, for which the financial instruments were acquired or issued, their characteristics and the Corporation's designation of such instruments. Settlement date accounting is used.

Classification

Cash/Held for trading Accounts receivable/Loans and receivables Accounts payable/Other liabilities Other current liabilities/Other liabilities

2. Modifications de conventions comptables (suite)

Instruments financiers (suite)

Niveau 2 - techniques d'évaluation fondées sur des données autres que les prix visés au niveau 1, qui sont observables pour l'actif ou le passif, directement ou indirectement.;

Niveau 3 - techniques d'évaluation fondées sur une part importante de données relatives à l'actif ou au passif qui ne sont pas fondées sur des données de marché observables.

La hiérarchie qui s'applique dans le cadre de la détermination de la juste valeur exige l'utilisation de données observables sur le marché chaque fois que de telles données existent. Un instrument financier est classé au niveau le plus bas de la hiérarchie pour lequel une donnée importante a été prise en compte dans l'évaluation de la juste valeur.

Les informations exigées sont fournies dans la note 15.

Modifications comptables futures

Nouveau référentiel comptable

Tel que requis par le Conseil des normes comptables canadiennes, les principes comptables généralement reconnus du Canada seront remplacés par les Normes internationales d'information financière (IFRS) à compter du 1er janvier 2011. Les incidences de ce changement n'ont pas encore été évaluées.

3. Conventions comptables

Les états financiers ont été préparés conformément aux principes comptables généralement reconnus du Canada et tiennent compte des particularités énumérées sous la rubrique des autres actifs pour les distributeurs d'électricité tel que requis par la Commission de l'Énergie de l'Ontario et établis dans le "Accounting Procedures Handbook" :

Instruments financiers

Les actifs financiers et les passifs financiers sont constatés initialement à la juste valeur et leur évaluation ultérieure dépend de leur classement, comme il est décrit ci-après. Leur classement dépend de l'objet visé lorsque les instruments financiers ont été acquis ou émis, de leurs caractéristiques et de leur désignation par la Société. La comptabilisation à la date de règlement est utilisée.

Classification

Encaisse/Détenus à des fins de transaction Débiteurs/Prêts et créances Créditeurs/Autres passifs Autres frais courus/Autres passifs

Notes complémentaires 31 décembre 2009

3. Accounting policies (continued)

Financial instruments (continued)

Held for trading

Held for trading financial assets are financial assets typically acquired for resale prior to maturity or that are designated as held for trading. They are measured at fair value at the balance sheet date. Fair value fluctuations including interest earned, interest accrued, gains and losses realized on disposal and unrealized gains and losses are included in other income.

Loans and receivables

Loans and receivables are accounted for at amortized cost using the effective interest method.

Other liabilities

Other liabilities are recorded at amortized cost using the effective interest method and include all financial liabilities, other than derivative instruments.

Transaction costs

Transaction costs related to held for trading financial assets are expensed as incurred. Transaction costs related to available-for-sale financial assets, held-to-maturity financial assets, other liabilities and loans and receivables are netted against the carrying value of the asset or liability and are then recognized over the expected life of the instrument using the effective interest method.

Capital assets and amortization

Capital assets are recorded at cost. Amortization is calculated on the basis of the straight-line method with reference to estimated useful lives of the assets in accordance with Ontario Energy Board policy at the following terms:

	Years
Distribution equipment Office equipment	25 10
Computer equipment	5

Acquisitions made during the year are amortized at half the normal rate.

3. Conventions comptables (suite)

Instruments financiers (suite)

Détenus à des fins de transaction

Les actifs financiers détenus à des fins de transaction sont des actifs financiers qui sont généralement acquis en vue d'être revendus avant leur échéance ou qui ont été désignés comme étant détenus à des fins de transaction. Ils sont mesurés à la juste valeur à la date de clôture. Les fluctuations de la juste valeur qui incluent les intérêts gagnés, les intérêts courus, les gains et pertes réalisés sur cession et les gains et pertes non réalisés sont inclus dans les autres produits.

Prêts et créances

Les prêts et créances sont comptabilisés au coût après amortissement selon la méthode du taux d'intérêt effectif.

Autres passifs

Les autres passifs sont comptabilisés au coût après amortissement selon la méthode du taux d'intérêt effectif et comprennent tous les passifs financiers autres que les instruments dérivés.

Coûts de transaction

Les coûts de transaction liés aux actifs financiers détenus à des fins de transaction sont passés en charge au moment où ils sont engagés. Les coûts de transaction liés aux actifs financiers disponibles à la vente, aux actifs financiers détenus jusqu'à leur échéance, aux autres passifs et aux prêts et créances sont comptabilisés en diminution de la valeur comptable de l'actif ou du passif et sont ensuite constatés sur la durée de vie prévue de l'instrument selon la méthode du taux d'intérêt effectif.

Immobilisations corporelles et amortissement

Les immobilisations corporelles sont comptabilisées au coût. L'amortissement est calculé selon la méthode de l'amortissement linéaire répartit sur la durée estimative de vie utile de l'immobilisation selon les politiques de la Commission de l'énergie de l'Ontario aux termes suivants:

	<u>Années</u>
Équipement de distribution Équipement de bureau Équipement informatique	25 10 5

Les acquisitions de l'année sont amorties à la moitié du taux normal.

3. Accounting policies (continued)

Customers' deposits

Deposits are taken to guarantee the payment of power bills or contract performance.

Impairment of long-lived assets

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when their carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

Other assets

Purchased power costs are included in allowed rates on a forecast basis. For rate-setting purposes, differences between forecast and actual purchased power costs in the rate year are held until the following year, when their final disposition is decided. Hydro 2000 Inc. recognizes purchased power cost variances as a regulatory asset or liability, based on the expectation that amounts held from one year to the next for rate-setting purposes will be approved for collection from, or refund to customers. In the absence of rate regulation, generally accepted accounting principles would require that actual purchased power costs be recognized as an expense when incurred.

The assets, other than variances, are recorded at cost in accordance with accounting principles as required by the Ontario Energy Board.

For certain of the regulatory items identified above, the expected recovery or settlement period, or likelihood of recovery or settlement, is affected by risks and uncertainties relating to the ultimate authority of the regulator in determining the item's treatment for rate-setting purposes. Any disallowed costs will be expensed in the year that they are disallowed.

Recoveries for these assets are presented in a separate account until the Ontario Energy Board approves the recoveries. At that time, recoveries will be applied against the regulated assets.

The financial statements effects of rate regulation are presented in Note 13.

3. Conventions comptables (suite)

Dépôts de clients à long terme

Des dépôts sont pris en garantie de paiement de la facturation ou de contrat.

Dépréciation d'actifs à long terme

Les actifs à long terme sont soumis à un test de recouvrabilité lorsque des événements ou des changements de situation indiquent que leur valeur comptable pourrait ne pas être recouvrable. Une perte de valeur est constatée lorsque leur valeur comptable excède les flux de trésorerie non actualisés découlant de leur utilisation et de leur sortie éventuelle. La perte de valeur constatée est mesurée comme étant l'excédent de la valeur comptable de l'actif sur sa juste valeur.

Autres actifs

Les coûts associés à l'énergie achetée sont pris en compte dans les tarifs autorisés, sur une base prévisionnelle. Aux fins de l'établissement des tarifs, les écarts entre les coûts prévus et les coûts réels associés à l'énergie achetée au cours de l'année de tarification sont laissés en suspens jusqu'à l'année suivante, au cours de laguelle leur traitement définitif est déterminé. Hydro 2000 Inc. comptabilise les écarts de coûts associés à l'énergie achetée à titre d'actif ou de passif réglementaire, parce que la Société s'attend à obtenir l'autorisation de recouvrer auprès des clients futurs les montants laissés en suspens d'une année à l'autre aux fins de l'établissement des tarifs, ou à devoir rembourser les montants à ces clients. Si les tarifs n'étaient pas réglementés, les coûts réels associés à l'énergie achetée devraient être passés en charge au moment où ils sont engagés, selon les principes comptables généralement reconnus.

Les actifs autres que les écarts de prix ont aussi été établis selon les règles de la Commission de l'Énergie. Ils ont été comptabilisés au coût.

Dans le cas de certains des éléments réglementaires mentionnés ci-dessus, les risques et incertitudes découlant du pouvoir ultime de l'autorité de réglementation de déterminer le traitement de l'élément aux fins de la tarification influent sur la période prévue de recouvrement ou de règlement, ou sur la probabilité de recouvrement ou de règlement. Les montants refusés seront imputés aux résultats dans l'année où ils seront refusés.

Les recouvrements pour tous ces frais sont identifiés dans un compte distinct et seront appliqués contre les actifs suite à l'approbation par la Commission de l'Énergie.

Les effets de la règlementation des tarifs sont décris à la note 13.

Accounting policies (continued) 3.

Revenue recognition

The Corporation recognizes energy and distribution revenues when billed to cutomers. Other revenues are recognized persuasive evidence of when an arrangement exists, delivery has occurred, the price to the buyer is fixed or determinable and collection is reasonably assured.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

Accounts receivable 4

	2009	2008
Electrical energy Other	\$ 211 125 22 802	\$ 168 881 5 788
Allowance for doubtful account	233 927 (6 910) \$ 227 017	174 669 (8 669) \$ 166 000
5. Other assets	2009	2008
Smart meters LV - Wheeling Other regulatory assets Payments in lieu of income taxes Amounts to recover	\$ 171 009 47 632 338 34 339 158 250	\$- 54 636 - - - - - - - - - - - - - - - - - -
	\$ 411 568	\$ 275 935

Capital assets 6.

	Accumulated amortization/ Amortisse-			
Cost/Coût	ment cumulé	2009	2008	
\$ 846 460 4 158	\$ 333 709 3 198	\$ 512 751 960	\$ 452 921 784	Éc Éc
				Éc
			· /	Ap
	\$ 846 460	amortization/ Amortisse- ment cumulé \$ 846 460 \$ 333 709 4 158 3 198 103 247 52 563 (140 754) (15 405)	amortization/ Amortisse- Cost/Coût Net bool ment cumulé Valeur 2009 \$ 846 460 \$ 333 709 \$ 512 751 4 158 3 198 960 103 247 52 563 58 684 (140 754) (15 405) (125 349)	amortization/ Amortisse- cost/Coût Net book value/ Valeur nette 846 460 \$ 333 709 \$ 512 751 \$ 452 921 4 158 3 198 960 784 103 247 52 563 58 684 58 824 (140 754) (15 405) (125 349) (100 626)

2000

31 décembre 2009

Convention comptables (suite) 3.

Constatation des produits

La Société constate ses revenus d'énergie et de distribution lorsqu'ils sont facturés aux clients alors que les autres revenus sont constatés lorsqu'il existe des preuves convaincantes de l'existence d'un accord, que les marchandises sont expédiées aux clients, que le prix est déterminé ou déterminable et que l'encaissement est raisonnablement assuré.

Utilisations d'estimations

Dans le cadre de la préparation des états financiers, la direction doit établir des estimations et des hypothèses qui ont une incidence sur les montants des actifs et des passifs présentés et sur la présentation des actifs et des passifs éventuels à la date des états financiers, ainsi que sur les montants des produits d'exploitation et des charges constatés au cours de la période visée par les états financiers. Les résultats réels pourraient varier par rapport à ces estimations.

Débiteurs 4

2008

Énergie électrique Autres

Provision pour mauvaises créances

5. Autres actifs

Compteurs intelligents Distribution à faible tension Autres actifs réglementés Paiements versés en remplacement d'impôts Montant à récupérer

Immobilisations corporelles 6.

quipement de distribution quipement de bureau quipement informatique pports en immobilisations

Notes to the financial statements December 31, 2009

Note payable 7.

Note payable to the Township of Alfred-
Plantagenet, 5.5%, payable in semi-annual
payments of \$ 21 324 including interest

Current portion

Principal repayments to be made during the next five years are as follows: 2010. \$ 31 222; 2011, \$ 32 962; 2012, \$ 34 800; 2013, \$ 36 741 and 2014, \$ 38 789.

No restrictive covenants have been imposed by the Township.

8. Other long-term liabilities

	2009	2008
Smart meters	\$-	\$ 8 256
Retail settlement variance account	180 046	151 799
Customer deposits	33 452	30 130
Hydro One	22 247	74 255
-	235 745	264 440
Current portion	43 039	76 473
	\$ 192 706	\$ 187 967

2009

\$ 215 466

\$ 184 244

31 222

....

Amount owed to Hydro One is to be repaid in 2010.

9. Share capital

Authorized, unlimited number	2009	2008	Autor
Voting Class A shares Voting Class B shares, non-participating			Actio Actio
Non-voting Class C shares, non-participating			noi Actio pai
Issued			Émis
1 Class A share	\$ 308 735	\$ 308 735	1 ac

Hydro 2000 Inc.

Notes complémentaires 31 décembre 2009

Billet à payer 7.

2008

\$ 299 582

\$ 273 050

26 532

~~~~

Billet à payer au Canton d'Alfred-Plantagenet, 5.5%, remboursable par versements semiannuels de \$ 21 324 incluant les intérêts

Portion à court terme

Les versements en capital à effectuer au cours des cinq prochains exercices sont les suivants : 2010, \$ 31 222; 2011, \$ 32 962; 2012, \$34 800; 2013, \$36 741 et 2014, \$ 38 789.

Aucune clause restrictive n'a été imposée par la municipalité.

#### 8. Autres passifs à long terme

Compteurs intelligents Écarts de prix avec les détaillants Dépôts de clients Hydro One

Portion à court terme

Les sommes dues à Hydro One doivent être remboursées en 2010.

#### 9. **Capital-actions**

orisé, nombre illimité

ons de catégorie A, avec droit de vote ons de catégorie B, avec droit de vote, on participantes ons de classe C, sans droit de vote, non articipantes

s

1 action de catégorie A

Notes to the financial statements December 31, 2009

#### 10. Revenue

|                       | 2009         | 2008         |
|-----------------------|--------------|--------------|
| Energy                |              |              |
| Residential           | \$ 1 298 328 | \$ 1 233 660 |
| General < 50 KW       | 417 323      | 353 844      |
| General < 50 KW - USL | 1 191        | 1 116        |
| General > 50 KW       | 335 844      | 364 678      |
| Street light          | 37 223       | 35 528       |
| C C                   | \$ 2 089 909 | \$ 1 988 826 |
| Distribution          |              |              |
| Service charge        | \$ 160 592   | \$ 145 257   |
| Distribution volume   | 163 132      | 115 418      |
| Administration charge | 3 600        | 3 379        |
| Retailer charge       | 1 416        | 1 633        |
| -                     | \$ 328 740   | \$ 265 687   |

#### 11. Additional information relating to the statement of cash flows

| Changes in non-cash operating working capital items                                                                               |          | 2009                                                        |          | 2008                                             |
|-----------------------------------------------------------------------------------------------------------------------------------|----------|-------------------------------------------------------------|----------|--------------------------------------------------|
| Accounts receivable<br>Inventories<br>Prepaid expenses<br>Income taxes rceivable<br>Accounts payable<br>Other current liabilities | \$       | (61 017)<br>18 276<br>11 577<br>2 508<br>31 027<br>(16 391) | \$       | 222<br>(43 680)<br>(21 400)<br>(9 270)<br>30 828 |
|                                                                                                                                   | \$       | (14 020)                                                    | \$       | (43 300)                                         |
| Other information                                                                                                                 |          |                                                             |          |                                                  |
| Interest paid<br>Income taxes paid                                                                                                | \$<br>\$ | 14 576<br>7 713                                             | \$<br>\$ | 17 517<br>29 113                                 |

#### 12. Related party transactions

The following amounts were paid to the Township of Alfred-Plantagenet, the only shareholder of the Corporation

|                | <br>2009      | <br>2008     |
|----------------|---------------|--------------|
| Long-term debt |               |              |
| Principal      | \$<br>84 116  | \$<br>25 131 |
| Interest       | 14 576        | 17 517       |
| Rent           | 8 399         | 8 231        |
|                | \$<br>107 091 | \$<br>50 879 |

## Hydro 2000 Inc.

Notes complémentaires 31 décembre 2009

#### 10. Revenus

| Énergie                                                                                                            |
|--------------------------------------------------------------------------------------------------------------------|
| Résidentiel<br>Général < 50 KW<br>Général < 50 KW - Charges sans compteur<br>Général > 50 KW<br>Éclairage des rues |
| Distribution                                                                                                       |

Revenus de gestion Revenus de livraison Revenus d'administration Revenus des détaillants

#### 11. Renseignements complémentaires à l'état des flux de trésorerie

Variation des éléments hors caisse du fonds de roulement d'exploitation

| Débiteurs                           |
|-------------------------------------|
| Stocks                              |
| Charges payées d'avance             |
| Impôts sur les bénéfices à recevoir |
| Créditeurs                          |
| Autres frais courus                 |

Autres renseignements

Intérêts payés Impôts sur les bénéfices payés

#### 12. Opérations entre apparentés

Les montants suivants ont été versés au Canton d'Alfred-Plantagenet, l'unique actionnaire de la Société

Dette à long terme Principal Intérêts Loyer

Notes to the financial statements December 31, 2009

# 13. Financial statements' effects of rate regulation

| C C                                                                                                                                               | 2009               | 2008               |
|---------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| Earnings (loss) before income taxes in accordance with accounting principles for electricity distributers as required by the Ontario Energy Board | \$ 17 390          | \$ (10 867)        |
| Expenses/variances included in other assets/liabilities                                                                                           | 33 014             | (51 228)           |
| Carrying charges on other assets/liabilities                                                                                                      | 975                | (2 531)            |
| Amortization of capital assets included in other assets                                                                                           | (3 805)            | -                  |
| Recoveries                                                                                                                                        | 40 201             | 136 534            |
| Adjustments for energy and distribution<br>revenues and cost of power<br>Beginning of year<br>End of year                                         | 74 660<br>(71 432) | 33 050<br>(74 660) |
| Adjusted earnings before income taxes and<br>before the effect of the regulation on the<br>financial statements                                   | \$ 91 003          | \$ 30 298          |

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#### 14. Commitment

The Corporation leases office space from the Township of Alfred-Plantagenet under an operating lease which expires December 31, 2011. The amount payable in 2010 will be \$ 8 483. For 2011, it will increase by the cost of living, with a minimum of 1%.

## 15. Financial instruments and risk management

The Corporation, through its financial assets and liabilities, has exposure to the following risks from its use of financial instruments: credit risk, market risk, and liquidity risk. The following analysis provides a measurement of risk as at December 31, 2009.

#### Credit risk

The Corporation's principal financial assets are cash and accounts receivable, which are subject to credit risk. The carrying amounts of financial assets on the balance sheet represents the Corporation's maximum credit exposure at the balance sheet date.

#### Hydro 2000 Inc.

Notes complémentaires 31 décembre 2009

## 13. Effets de la réglementation des tarifs sur les états financiers

Bénéfice (perte) avant impôts sur les bénéfices conformément aux principes comptables pour les distributeurs d'électricité tels que requis par la Commission de l'Énergie de l'Ontario

Dépenses/variances incluses dans les autres actifs/passifs

Frais d'intérêts sur les autres actifs/passifs

Amortissement des immobilisations corporelles inclus dans les autres actifs

#### Recouvrements

Ajustements des revenus d'énergie et de distribution et des coûts de l'énergie Début de l'exercice Fin de l'exercice

Bénéfice avant impôts sur les bénéfices et avant l'effet de la réglementation sur les états financiers

#### 14. Engagement

La Société loue des bureaux au Canton d'Alfred-Plantagenet en vertu d'un contrat de location-exploitation qui vient à échéance le 31 décembre 2011. Le loyer à payer pour 2010 est de \$ 8 483. Pour 2011, il y aura une augmentation selon le coût de la vie, avec un minimum de 1%.

## 15. Instruments financiers et gestion des risques

En raison de ses actifs et de ses passifs financiers, la Société est exposée aux risques suivants relatifs à l'utilisation d'instruments financiers: le risque de crédit, le risque de marché et le risque de liquidité. L'analyse suivante permet d'évaluer les risques au 31 décembre 2009.

#### Risque de crédit

Les principaux actifs financiers de la Société comprennent l'encaisse et les débiteurs, lesquels sont assujettis au risque de crédit. La valeur comptable des actifs financiers au bilan représente le risque de crédit maximal à la date du bilan.

# 15. Financial instruments and risk management (continued)

#### Credit risk (continued)

The Corporation's credit risk is primarily attributable to its accounts receivable. The amounts disclosed in the balance sheet are net of allowance for doubtful accounts, estimated by the management of the Corporation based on previous experience and its assessment of the current economic environment. In order to reduce its risk, management has adopted credit policies that include regular review of credit limits. The Corporation does not have significant exposure to any individual customer and has not incurred any significant bad debts during the year. The credit risk on cash is limited because the counterparties are chartered banks with high credit-ratings assigned by national credit-rating agencies.

As at December 31, 2009, the aging of accounts receivable was:

|                                                    | 2009       | 2008       |
|----------------------------------------------------|------------|------------|
| Trade<br>Current                                   | \$ 200 701 | \$ 143 957 |
|                                                    | • • • •    | +          |
| Aged between 31 – 90 days                          | 6 244      | 14 385     |
| Aged greater than 90 days                          | 26 982     | 16 327     |
|                                                    | 233 927    | 174 669    |
| Allowance for doubtful accounts:                   | 6 910      | 8 669      |
|                                                    | \$ 227 017 | \$ 166 000 |
| Reconciliation of allowance for doubtful accounts: |            |            |
|                                                    | 2009       | 2008       |
| Balance, beginning of year                         | \$ 8 669   | \$ 9728    |
| Increase during the year                           | 6 480      | 8 391      |
| Bad debts written off during the year              | (8 239)    | (9 450)    |
| Balance, end of year                               | \$ 6 910   | \$ 8 669   |
|                                                    |            |            |

#### Interest rate risk

The note payable bears interest at fixed rates. Consequently, the cash flow exposure is not significant. However, the fair value of loans having fixed rates of interest, could fluctuate because of changes in market interest rates.

# 15. Instruments financiers et gestion des risques (suite)

#### Risque de crédit (suite)

Le risque de crédit de la Société est principalement imputable à ses créances clients. Les montants sont présentés dans le bilan déduction faite de la provision pour créances douteuses, laquelle a fait l'objet d'une estimation par la direction de la Société en fonction de l'expérience antérieure et de son évaluation de la conjoncture économique actuelle. Afin de réduire le risque, la direction a adopté des politiques de crédit qui comprennent une révision régulière des limites de crédit. La Société n'est exposée à aucun risque important à l'égard d'un client particulier et n'a eu aucune créance irrécouvrable importante au cours de l'exercice. Le risque de crédit lié à l'encaisse est limité puisque les contreparties sont des banques à charte jouissant de cotes de solvabilité élevées attribuées par des agences de notation nationales.

Au 31 décembre 2009, le classement par échéance des débiteurs était le suivant :

Clients Courant Entre 31 et 90 jours Plus de 90 jours

#### Provision pour créances douteuses

Rapprochement de la provision pour créances douteuses :

Solde au début Augmentation au cours de l'exercice Créances douteuses radiées au cours de l'exercice Solde à la fin

#### Risque de taux d'intérêt

Le billet à payer porte des taux d'intérêt fixes. Par conséquent, les risques de trésorerie sont minimes. Toutefois, la juste valeur des emprunts dont le taux d'intérêt est fixe pourrait fluctuer en fonction des variations des taux d'intérêt du marché.

# 15. Financial instruments and risk management (continued)

#### Liquidity risk

The Corporation's objective is to have sufficient liquidity to meet its liabilities when due. The Corporation monitors its cash balances and cash flows generated from operations to meet its requirements. The Corporation has the following financial liabilities as at December 31, 2009:

|                                                                                              | Net book<br>value/Valeur<br>comptable<br>nette | 2010                                     | 2011                         | 2012 and<br>after/<br>2012 et<br>après |
|----------------------------------------------------------------------------------------------|------------------------------------------------|------------------------------------------|------------------------------|----------------------------------------|
| Accounts payable<br>Other current liabilities<br>Note payable<br>Other long-term liabilities | \$ 75 402<br>180 302<br>215 466<br>235 745     | \$ 75 402<br>180 302<br>31 222<br>43 039 | \$-<br>-<br>32 962<br>12 660 | \$-<br>-<br>151 282<br>180 046         |
|                                                                                              | \$ 706 915                                     | \$ 329 965                               | \$ 45 622                    | \$ 331 328                             |

Fair value

#### Establishing fair value

The fair value of cash, accounts receivable, accounts payable and other current liabilities approximates their carrying values due to their short-term maturity.

The fair value of note payable approximates its carrying value as it has financing conditions similar to those currently available to the Corporation.

#### Fair value hierarchy

Financial instruments recorded at fair value on the Balance sheet are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on unadjusted prices for identical assets or liabilities;

Notes complémentaires 31 décembre 2009

# 15. Instruments financiers et gestion des risques (suite)

#### Risque de liquidité

Le risque de liquidité est le risque que la Société ne soit pas en mesure de remplir ses obligations financières à leur échéance. La Société surveille le solde de son encaisse et ses flux de trésorerie qui découlent de son exploitation pour être en mesure de respecter ses engagements. Au 31 décembre 2009, les passifs financiers de la Société étaient les suivants :

Créditeurs Autres frais courus Billet à payer Autres passifs à long terme

#### Juste valeur

#### Détermination de la juste valeur

Les justes valeurs de l'encaisse, des débiteurs, des créditeurs et autres frais courus correspondent approximativement à leur valeur comptable en raison de leur échéance à court terme.

La juste valeur du billet à payer correspond approximativement à sa valeur comptable étant donné que la dette comporte des conditions de financement que la Société pourrait obtenir actuellement.

#### Hiérarchie des évaluations à la juste valeur

Les instruments financiers comptabilisés à la juste valeur au bilan sont classés selon une hiérarchie qui reflète l'importance des données utilisées pour effectuer les évaluations. La hiérarchie des évaluations à la juste valeur se compose des niveaux suivants :

Niveau 1 - évaluation fondée sur les prix non rajustés pour des actifs ou passifs identiques;

## 15. Financial instruments and risk management (continued)

#### Fair value hierarchy (continued)

Level 2 - valuation techniques based on inputs other than prices included in Level 1 that are observable for the asset or liability, either directly or indirectly;

Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The following table presents the financial instruments recorded at fair value in the Balance sheet, classified using the fair value hierarchy described above:

## Hydro 2000 Inc.

Notes complémentaires 31 décembre 2009

## 15. Instruments financiers et gestion des risques (suite)

#### <u>Hiérarchie des évaluations à la juste valeur</u> (suite)

Niveau 2 - techniques d'évaluation fondées sur des données autres que les prix visés au niveau 1, qui sont observables pour l'actif ou le passif, directement ou indirectement;

Niveau 3 - techniques d'évaluation fondées sur une part importante de données relatives à l'actif ou au passif qui ne sont pas fondées sur des données de marché observables.

La hiérarchie qui s'applique dans le cadre de la détermination de la juste valeur exige l'utilisation de données observables sur le marché chaque fois que de telles données existent. Un instrument financier est classé au niveau le plus bas de la hiérarchie pour lequel une donnée importante a été prise en compte dans l'évaluation de la juste valeur.

Le tableau suivant présente les instruments financiers comptabilisés à la juste valeur au bilan classés selon la hiérarchie d'évaluation décrite ci-dessus :

| Financial assets<br>Cash | \$ 314 786           | \$-                  | \$-                  | \$ 314 786                                                                                                                              | Actifs financiers<br>Encaisse |
|--------------------------|----------------------|----------------------|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
|                          | Level 1/<br>Niveau 1 | Level 2/<br>Niveau 2 | Level 3/<br>Niveau 3 | assets and<br>financial<br>liabilities at<br>fair value/<br>Total des<br>actifs et des<br>passifs<br>financiers à<br>la juste<br>valeur |                               |

During the year, there has been no significant transfer of amounts between Level 1 and Level 2.

Au cours de l'exercice, il n'y a eu aucun transfert important de montants entre les niveaux 1 et 2.

Total financial

# Attachment 3 (of 3):

2010 Audited Statements with 2009 comparative information

Financial statements of États financiers de

# Hydro 2000 Inc.

December 31, 2010 31 décembre 2010

# **Hydro 2000 Inc.** December 31, 2010

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# **Hydro 2000 Inc.** 31 décembre 2010

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# Deloitte.

Deloitte & Touche LLP 300 McGill Street Hawkesbury, ON K6A 1P8

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## **Independent Auditor's Report**

To the Directors of Hydro 2000 Inc.

We have audited the accompanying financial statements of Hydro 2000 Inc., which comprise the balance sheet as at December 31, 2010, and the statements of loss and retained earnings and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Hydro 2000 Inc. as at December 31, 2010, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Keleitted Touche LIP

Chartered Accountants Licensed Public Accountants

April 6, 2011



Deloitte & Touche, s.r.l. 300, rue McGill Hawkesbury, Ontario K6A 1P8

Tél. : (613) 632-4178 Téléc : (613) 632-7703 www.deloitte.ca

## Rapport de l'auditeur indépendant

#### Aux administrateurs de Hydro 2000 Inc.

Nous avons effectué l'audit des états financiers ci-joints de Hydro 2000 Inc. qui comprennent le bilan au 31 décembre 2010, les états des résultats et bénéfices non répartis et des flux de trésorerie pour l'exercice clos à cette date, ainsi qu'un résumé des principales méthodes comptables et d'autres informations explicatives.

#### Responsabilité de la direction pour les états financiers

La direction est responsable de la préparation et de la présentation fidèle de ces états financiers conformément aux principes comptables généralement reconnus du Canada, ainsi que du contrôle interne qu'elle considère comme nécessaire pour permettre la préparation d'états financiers exempts d'anomalies significatives, que celles-ci résultent de fraudes ou d'erreurs.

#### Responsabilité de l'auditeur

Notre responsabilité consiste à exprimer une opinion sur les états financiers, sur la base de notre audit. Nous avons effectué notre audit selon les normes d'audit généralement reconnues du Canada. Ces normes requièrent que nous nous conformions aux règles de déontologie et que nous planifiions et réalisions l'audit de façon à obtenir l'assurance raisonnable que les états financiers ne comportent pas d'anomalies significatives.

Un audit implique la mise en œuvre de procédures en vue de recueillir des éléments probants concernant les montants et les informations fournis dans les états financiers. Le choix des procédures relève du jugement de l'auditeur, et notamment de son évaluation des risques que les états financiers comportent des anomalies significatives, que celles-ci résultent de fraudes ou d'erreurs. Dans l'évaluation de ces risques, l'auditeur prend en considération le contrôle interne de l'entité portant sur la préparation et la présentation fidèle des états financiers afin de concevoir des procédures d'audit appropriées aux circonstances, et non dans le but d'exprimer une opinion sur l'efficacité du contrôle interne de l'entité. Un audit comporte également l'appréciation du caractère approprié des méthodes comptables retenues et du caractère raisonnable des estimations comptables faites par la direction, de même que l'appréciation de la présentation d'ensemble des états financiers.

Nous estimons que les éléments probants que nous avons obtenus sont suffisants et appropriés pour fonder notre opinion d'audit.

#### Opinion

À notre avis, les états financiers donnent, dans tous leurs aspects significatifs, une image fidèle de la situation financière de Hydro 2000 Inc. au 31 décembre 2010, ainsi que de ces résultats d'exploitation et de ses flux de trésorerie pour l'exercice clos à cette date, conformément aux principes comptables généralement reconnus du Canada.

Aller for the not

Comptables agréés Experts-comptables autorisés

Le 6 avril 2011

Statement of loss and retained earnings

year ended December 31, 2010

## Hydro 2000 Inc.

État des résultats et bénéfices non répartis de l'exercice terminé le 31 décembre 2010

|                                                 | 2010      | 2009      |                                                                                 |
|-------------------------------------------------|-----------|-----------|---------------------------------------------------------------------------------|
|                                                 | \$        | \$        |                                                                                 |
| Revenues (Note 10)                              |           |           | Revenus (note 10)                                                               |
| Energy                                          | 1,628,541 | 2,089,909 | Énergie                                                                         |
| Distribution                                    | 307,187   | 328,740   | Distribution                                                                    |
|                                                 | 1,935,728 | 2,418,649 |                                                                                 |
| Cost of power                                   | 1,628,541 | 2,089,909 | Coût de l'énergie                                                               |
|                                                 | 307,187   | 328,740   |                                                                                 |
| Other operating revenues                        | 32,910    | 36,423    | Autres revenus d'exploitation                                                   |
|                                                 | 340,097   | 365,163   |                                                                                 |
| Expenses                                        |           |           | Charges                                                                         |
| Operating maintenance                           | 117,328   | 94,744    | Exploitation                                                                    |
| Billing and collection                          | 158,037   | 161,893   | Facturation et perception                                                       |
| Administration                                  | 41,493    | 37,873    | Administration                                                                  |
| Amortization of capital assets                  | 61,120    | 57,421    | Amortissement des immobilisations corporelles<br>Amortissement des apports pour |
| Amortization of contribution for capital assets | (5,779)   | (5,036)   | immobilisations corporelles                                                     |
| Amortization of incorporation fees              | -         | 878       | Amortissement des frais d'incorporation                                         |
|                                                 | 372,199   | 347,773   |                                                                                 |
| Earnings (loss) before income taxes             | (32,102)  | 17,390    | Bénéfice (perte) avant impôts sur les bénéfices                                 |
| Income taxes                                    |           |           | Impôts sur les bénéfices                                                        |
| Current                                         | 14,424    | 10,221    | Courant                                                                         |
| Future                                          | (19,358)  | (7,410)   | Futurs                                                                          |
|                                                 | (4,934)   | 2,811     |                                                                                 |
| Net (loss) earnings                             | (27,168)  | 14,579    | (Perte nette) bénéfice net                                                      |
| Retained earnings, beginning of year            | 423,845   | 409,266   | Bénéfices non répartis au début                                                 |
| Retained earnings, end of year                  | 396,677   | 423,845   | Bénéfices non répartis à la fin                                                 |

## Hydro 2000 Inc. Balance sheet

Balance sheet as at December 31, 2010

## Hydro 2000 Inc.

Bilan

au 31 décembre 2010

|                                          | 2010      | 2009      |                                                |
|------------------------------------------|-----------|-----------|------------------------------------------------|
|                                          | \$        | \$        |                                                |
| Assets                                   |           |           | Actif                                          |
| Current assets                           |           |           | À court terme                                  |
| Cash                                     | 375,082   | 314,786   | Encaisse                                       |
| Accounts receivable (Note 4)             | 242,790   | 227,017   | Débiteurs (note 4)                             |
| Prepaid expenses                         | 26,259    | 39,985    | Charges payées d'avance                        |
| Income taxes receivable                  | 9,576     | 13,779    | Impôts sur les benefices à recevoir            |
|                                          | 653,707   | 595,567   |                                                |
| Future income taxes                      | 12,672    | -         | Impôts futurs                                  |
| Other assets (Note 5)                    | 303,066   | 411,568   | Autres actifs (note 5)                         |
| Capital assets (Note 6)                  | 446,413   | 439,046   | Immobilisations corporelles (note 6)           |
|                                          | 1,415,858 | 1,446,181 |                                                |
| Liabilities                              |           |           | Passif                                         |
| Current liabilities                      |           |           | À court terme                                  |
| Accounts payable                         | 144,283   | 75,402    | Créditeurs                                     |
| Other current liabilities                | 215,554   | 180,302   | Autres passifs à court terme                   |
|                                          |           | ,         | Tranche de billet à payer échéant à moins d'un |
| Current portion of note payable (Note 7) | 32,962    | 31,222    | an (note 7)                                    |
| Current portion of other long-term       | 04.047    | 40.000    | Tranche des autres passifs à long terme        |
| liabilities (Note 8)                     | 24,817    | 43,039    | échéant à moins d'un an (note 8)               |
|                                          | 417,616   | 329,965   |                                                |
| Note payable (Note 7)                    | 151,282   | 184,244   | Billet à payer (note 7)                        |
| Future income taxes                      | -         | 6,686     | Impôts futurs                                  |
| Other long-term liabilities (Note 8)     | 141,548   | 192,706   | Autres passifs à long terme (note 8)           |
|                                          | 710,446   | 713,601   |                                                |
| Commitments (Note 14)                    |           |           | Engagements (note 14)                          |
| Shareholder's equity                     |           |           | Capitaux propres                               |
| Share capital (Note 9)                   | 308,735   | 308,735   | Capital-actions (note 9)                       |
| Retained earnings                        | 396,677   | 423,845   | Bénéfices non répartis                         |
|                                          | 705,412   | 732,580   |                                                |
|                                          | 1,415,858 | 1,446,181 |                                                |
| Approved by the Board                    |           |           | Au nom du conseil                              |
| Director                                 |           |           | administrateur                                 |
| Director                                 |           |           | administrateur                                 |

## Statement of cash flows

year ended December 31, 2010

## **Hydro 2000 Inc.** État des flux de trésorerie

Etat des flux de trésorerie de l'exercice terminé le 31 décembre 2010

|                                             | 2010     | 2009      |                                                                              |
|---------------------------------------------|----------|-----------|------------------------------------------------------------------------------|
|                                             | \$       | \$        |                                                                              |
| Operating activities                        |          |           | Activités d'exploitation                                                     |
| Net (loss) earnings                         | (27,168) | 14,579    | (Perte nette) bénéfice net                                                   |
| Items not affecting cash:                   |          |           | Éléments sans effet sur la trésorerie:                                       |
| Amortization of incorporation fees          | -        | 878       | Amortissement des frais d'incorporation<br>Amortissement des immobilisations |
| Amortization of capital assets              | 61,120   | 57,421    | corporelles                                                                  |
| Amortization of contribution for capital    |          |           | Amortissement des apports pour                                               |
| assets                                      | (5,779)  | (5,036)   | immobilisations corporelles                                                  |
| Future income taxes                         | (19,358) | (7,410)   | Impôts futurs                                                                |
| Changes in non-cash operating working       |          |           | Variation des éléments hors caisse du fonds de                               |
| capital items (Note 11)                     | 106,289  | (14,020)  | roulement d'exploitation (note 11)                                           |
|                                             | 115,104  | 46,412    |                                                                              |
| Investing activities                        |          |           | Activités d'investissement                                                   |
| Purchase of capital assets                  | (70,216) | (109,287) | Acquisition d'immobilisations corporelles                                    |
| •                                           | 108,502  | (135,634) |                                                                              |
| Decrease (increase) of other assets         | 38.286   | (244,921) | Diminution (augmentation) des autres actifs                                  |
|                                             | 30,200   | (244,921) |                                                                              |
| Financing activities                        |          |           | Activités de financement                                                     |
| Decrease of other long-term liabilities     | (69,380) | (28,695)  | Diminution des autres passifs à long terme                                   |
| Repayment of note payable                   | (31,222) | (84,116)  | Remboursement du billet à payer                                              |
|                                             |          |           | Augmentation des apports pour immobilisations                                |
| Increase of contribution for capital assets | 7,508    | 29,759    | corporelles                                                                  |
|                                             | (93,094) | (83,052)  |                                                                              |
| Net increase (decrease) in cash             | 60,296   | (281,561) | Augmentation (diminution) nette de l'encaisse                                |
| Cash, beginning of year                     | 314,786  | 596.347   | Encaisse au début                                                            |
| Cash, end of year                           | 375,082  | 314,786   | Encaisse à la fin                                                            |

Additional information is presented in Note 11.

Des renseignements complémentaires sont présentés à la note 11.

Notes to the financial statements December 31, 2010

#### 1. Description of business

The Corporation, incorporated under the Ontario Business Corporations Act, is engaged in the distribution of electricity.

#### 2. Future accounting changes

#### New accounting framework

The Corporation, a qualifying entity with rate-regulated activities, selected the option proposed by the Canadian Accounting Standards Board to defer its adoption of International Financial Reporting Standards for the first time until its period beginning on January 1, 2012. The impact of this transition has not yet been determined.

#### 3. Accounting policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles with rate regulation specifications described under the other assets heading for electricity distributors as required by the Ontario Energy Board and set forth in the Accounting Procedures Handbook:

#### **Financial instruments**

Financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below. Their classification depends on the purpose, for which the financial instruments were acquired or issued, their characteristics and the Corporation's designation of such instruments. Settlement date accounting is used.

#### **Classification**

Cash/Held for trading Accounts receivable/Loans and receivables Others assets/Loans and receivables Accounts payable/Other liabilities Other current liabilities/Other liabilities Note payable/Other liabilities Other long-term liabilities/Other liabilities

#### Held for trading

Held for trading financial assets are financial assets typically acquired for resale prior to maturity or that are designated as held for trading. They are measured at fair value at the balance sheet date. Fair value fluctuations including interest earned, interest accrued, gains and losses realized on disposal and unrealized gains and losses are included in other income.

## Hydro 2000 Inc.

Notes complémentaires 31 décembre 2010

#### 1. Description de l'entreprise

La Société, constituée en vertu de la Loi sur les sociétés par actions de l'Ontario, se spécialise dans la distribution de l'électricité.

#### 2. Modifications futures comptables

#### Nouveau référentiel comptable

La Société, une entité admissible exerçant des activités à tarifs réglementés, a choisi l'option offerte par le Conseil des normes comptables du Canada de reporter la première application des normes internationales d'information financières jusqu'à son exercice ouvert à compter du 1<sup>er</sup> janvier 2012. Les incidences de ce changement n'ont pas encore été évaluées.

#### 3. Conventions comptables

Les états financiers ont été préparés conformément aux principes comptables généralement reconnus du Canada et tiennent compte des particularités énumérées sous la rubrique des autres actifs pour les distributeurs d'électricité tel que requis par la Commission de l'énergie de l'Ontario et établis dans le "Accounting Procedures Handbook" :

#### Instruments financiers

Les actifs financiers et les passifs financiers sont constatés initialement à la juste valeur et leur évaluation ultérieure dépend de leur classement, comme il est décrit ci-après. Leur classement dépend de l'objet visé lorsque les instruments financiers ont été acquis ou émis, de leurs caractéristiques et de leur désignation par la Société. La comptabilisation à la date de règlement est utilisée.

#### **Classification**

Encaisse/Détenus à des fins de transaction Débiteurs/Prêts et créances Autres actifs/Prêts et créances Créditeurs/Autres passifs Autres passifs à court terme/Autres passifs Billet à payer/Autres passifs Autres passifs à long terme/Autres passifs

#### Détenus à des fins de transaction

Les actifs financiers détenus à des fins de transaction sont des actifs financiers qui sont généralement acquis en vue d'être revendus avant leur échéance ou qui ont été désignés comme étant détenus à des fins de transaction. Ils sont mesurés à la juste valeur à la date de clôture. Les fluctuations de la juste valeur qui incluent les intérêts gagnés, les intérêts courus, les gains et pertes réalisés sur cession et les gains et pertes non réalisés sont inclus dans les autres produits.

Notes to the financial statements December 31, 2010

## Hydro 2000 Inc.

Notes complémentaires 31 décembre 2010

#### 3. Accounting policies (continued)

Financial instruments (continued)

#### Loans and receivables

Loans and receivables are accounted for at amortized cost using the effective interest rate method.

#### Other liabilities

Other liabilities are recorded at amortized cost using the effective interest rate method and include all financial liabilities, other than derivative instruments.

#### Transaction costs

Transaction costs related to held for trading financial assets are expensed as incurred. Transaction costs related to other liabilities and loans and receivables are netted against the carrying value of the asset or liability and are then recognized over the expected life of the instrument using the effective interest rate method.

#### Capital assets and amortization

Capital assets are recorded at cost. Amortization is calculated on the basis of the straight-line method with reference to estimated useful lives of the assets in accordance with Ontario Energy Board policy at the following terms:

|                        | Years |
|------------------------|-------|
| Distribution equipment | 25    |
| Office equipment       | 10    |
| Computer equipment     | 5     |
| Capital contribution   | 25    |

• •

Acquisitions made during the year are amortized at half the normal rate.

Capital contribution is the portion assumed by the owners or the developers for capital assets owned by the Corporation.

#### Customers' deposits

Deposits are taken to guarantee the payment of power bills or contract performance.

#### 3. Conventions comptables (suite)

Instruments financiers (suite)

#### Prêts et créances

Les prêts et créances sont comptabilisés au coût après amortissement selon la méthode du taux d'intérêt effectif.

#### Autres passifs

Les autres passifs sont comptabilisés au coût après amortissement selon la méthode du taux d'intérêt effectif et comprennent tous les passifs financiers autres que les instruments dérivés.

#### Coûts de transaction

Les coûts de transaction liés aux actifs financiers détenus à des fins de transaction sont passés en charge au moment où ils sont engagés. Les coûts de transaction liés aux autres passifs et aux prêts et créances sont comptabilisés en diminution de la valeur comptable de l'actif ou du passif et sont ensuite constatés sur la durée de vie prévue de l'instrument selon la méthode du taux d'intérêt effectif.

#### Immobilisations corporelles et amortissement

Les immobilisations corporelles sont comptabilisées au coût. L'amortissement est calculé selon la méthode de l'amortissement linéaire répartit sur la durée estimative de vie utile de l'immobilisation selon les politiques de la Commission de l'énergie de l'Ontario aux termes suivants:

| Équipement de distribution | 25 |
|----------------------------|----|
| Équipement de bureau       | 10 |
| Équipement informatique    | 5  |
| Apports en immobilisations | 25 |

Les acquisitions de l'année sont amorties à la moitié du taux normal.

Les apports en immobilisations sont la portion qui est assumée par les propriétaires ou les développeurs sur les immobilisations appartenant à la Société.

#### Dépôts de clients à long terme

Des dépôts sont pris en garantie de paiement de la facturation ou de contrat.

Années

Notes to the financial statements December 31, 2010

#### 3. Accounting policies (continued)

#### Impairment of long-lived assets

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when their carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

#### Other assets

Purchased power costs are included in allowed rates on a forecast basis. For rate-setting purposes, differences between forecast and actual purchased power costs in the rate year are held until the following year, when their final disposition is decided. The Corporation recognizes purchased power cost variances as a regulatory asset or liability, based on the expectation that amounts held from one year to the next for rate-setting purposes will be approved for collection from, or refund to customers. In the absence of rate regulation, generally accepted accounting principles would require that actual purchased power costs be recognized as an expense when incurred.

The assets, other than variances, are recorded at cost in accordance with accounting principles as required by the Ontario Energy Board.

For certain of the regulatory items identified above, the expected recovery or settlement period, or likelihood of recovery or settlement, is affected by risks and uncertainties relating to the ultimate authority of the regulator in determining the item's treatment for rate-setting purposes. Any disallowed costs will be expensed in the year that they are disallowed.

Recoveries for these assets are presented in a separate account until the Ontario Energy Board approves the recoveries. At that time, recoveries will be applied against the regulated assets.

The financial statements effects of rate regulation are presented in Note 13.

Hydro 2000 Inc. Notes complémentaires 31 décembre 2010

#### 3. Conventions comptables (suite)

#### Dépréciation d'actifs à long terme

Les actifs à long terme sont soumis à un test de recouvrabilité lorsque des événements ou des changements de situation indiquent que leur valeur comptable pourrait ne pas être recouvrable. Une perte de valeur est constatée lorsque leur valeur comptable excède les flux de trésorerie non actualisés découlant de leur utilisation et de leur sortie éventuelle. La perte de valeur constatée est mesurée comme étant l'excédent de la valeur comptable de l'actif sur sa juste valeur.

#### Autres actifs

Les coûts associés à l'énergie achetée sont pris en compte dans les tarifs autorisés, sur une base prévisionnelle. Aux fins de l'établissement des tarifs, les écarts entre les coûts prévus et les coûts réels associés à l'énergie achetée au cours de l'année de tarification sont laissés en suspens jusqu'à l'année suivante, au cours de laquelle leur traitement définitif est déterminé. La Société comptabilise les écarts de coûts associés à l'énergie achetée à titre d'actif ou de passif réglementaire, parce que la Société s'attend à obtenir l'autorisation de recouvrer auprès des clients futurs les montants laissés en suspens d'une année à l'autre aux fins de l'établissement des tarifs, ou à devoir rembourser les montants à ces clients. Si les tarifs n'étaient pas réglementés, les coûts réels associés à l'énergie achetée devraient être passés en charge au moment où ils sont engagés, selon les principes comptables généralement reconnus.

Les actifs autres que les écarts de prix ont été comptabilisés au coût selon les règles comptables de la Commission de l'énergie de l'Ontario.

Dans le cas de certains des éléments réglementaires mentionnés ci-dessus, les risques et incertitudes découlant du pouvoir ultime de l'autorité de réglementation de déterminer le traitement de l'élément aux fins de la tarification influent sur la période prévue de recouvrement ou de règlement, ou sur la probabilité de recouvrement ou de règlement. Les montants refusés seront imputés aux résultats dans l'année où ils seront refusés.

Les recouvrements pour tous ces frais sont identifiés dans un compte distinct et seront appliqués contre les actifs suite à l'approbation par la Commission de l'énergie de l'Ontario.

Les effets de la règlementation des tarifs sont décris à la note 13.

Notes to the financial statements December 31, 2010

#### 3. Accounting policies (continued)

#### Revenue recognition

The Corporation recognizes energy and distribution revenues when billed to customers. Other revenues are recognized when persuasive evidence of an arrangement exists, delivery has occurred, the price to the buyer is fixed or determinable and collection is reasonably assured.

#### Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

## Hydro 2000 Inc.

Notes complémentaires 31 décembre 2010

#### 3. Conventions comptables (suite)

#### Constatation des produits

La Société constate ses revenus d'énergie et de distribution lorsqu'ils sont facturés aux clients alors que les autres revenus sont constatés lorsqu'il existe des preuves convaincantes de l'existence d'un accord, que les marchandises sont expédiées aux clients, que le prix est déterminé ou déterminable et que l'encaissement est raisonnablement assuré.

#### Utilisations d'estimations

Dans le cadre de la préparation des états financiers, la direction doit établir des estimations et des hypothèses qui ont une incidence sur les montants des actifs et des passifs présentés et sur la présentation des actifs et des passifs éventuels à la date des états financiers, ainsi que sur les montants des produits d'exploitation et des charges constatés au cours de la période visée par les états financiers. Les résultats réels pourraient varier par rapport à ces estimations.

|         |                                               | 4. Débiteurs                                                                    |
|---------|-----------------------------------------------|---------------------------------------------------------------------------------|
| 2010    | 2009                                          |                                                                                 |
| \$      | \$                                            |                                                                                 |
| 191,519 | 211,125                                       | Énergie électrique                                                              |
| 60,401  | 22,802                                        | Autres                                                                          |
| 251,920 | 233,927                                       |                                                                                 |
| (9,130) | (6,910)                                       | Provision pour mauvaises créances                                               |
| 242,790 | 227,017                                       |                                                                                 |
|         | \$<br>191,519<br>60,401<br>251,920<br>(9,130) | \$ \$<br>191,519 211,125<br>60,401 22,802<br>251,920 233,927<br>(9,130) (6,910) |

#### Other assets

| 5. Other assets                  |         |         | 5. Autres actifs                          |
|----------------------------------|---------|---------|-------------------------------------------|
|                                  | 2010    | 2009    |                                           |
|                                  | \$      | \$      |                                           |
| Smart meters                     | 178,753 | 171,009 | Compteurs intelligents                    |
| LV – Wheeling                    | -       | 47,632  | Distribution à faible tension             |
| Other regulatory assets          | 13,714  | 338     | Autres actifs réglementés                 |
| Payments in lieu of income taxes | 30,078  | 34,339  | Paiements versés en remplacement d'impôts |
| Amounts to recover               | 80,521  | 158,250 | Montants à récupérer                      |
|                                  | 303,066 | 411,568 |                                           |

Notes to the financial statements December 31, 2010

## Hydro 2000 Inc.

Notes complémentaires 31 décembre 2010

#### 6. Capital assets 6. Immobilisations corporelles 2010 2009 Accumulated Net book Net book amortization/ value/ value/ Valeur Valeur Amortisse-Cost/Coût ment cumulé nette nette \$ \$ \$ \$ Distribution equipment Équipement de distribution 893,216 382,826 510,390 512,751 Office equipment 4,620 3,334 1,286 960 Équipement de bureau Computer equipment 126,245 64,430 61,815 58,684 Équipement informatique Capital contribution (127,078)Apports en immobilisations (148, 262)(21, 184)(125, 349)446,413 429,406 875,819 439,046

#### Note navable

| 7. Note payable                                                                                                                             |         |         | 7. Billet à payer                                                                                                                          |
|---------------------------------------------------------------------------------------------------------------------------------------------|---------|---------|--------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                             | 2010    | 2009    |                                                                                                                                            |
|                                                                                                                                             | \$      | \$      |                                                                                                                                            |
| Note payable to the Township of Alfred-<br>Plantagenet, sole shareholder of the Corporation,<br>5.5%, payable in semi-annual instalments of |         |         | Billet à payer au Canton d'Alfred-Plantagenet,<br>l'unique actionnaire de la Société, 5,5%,<br>remboursable par versements semi-annuels de |
| \$ 21,324 including interest                                                                                                                | 184,244 | 215,466 | 21 324 \$ incluant les intérêts                                                                                                            |
| Current portion                                                                                                                             | 32,962  | 31,222  | Tranche échéant à moins d'un an                                                                                                            |
|                                                                                                                                             | 151,282 | 184,244 |                                                                                                                                            |
| Principal payments required in each of the next five years are as follows:                                                                  |         | \$      | Les versements de capital requis au cours des cinq prochains exercices sont les suivants :                                                 |

No restrictive covenant has been imposed by the Township.

| 2012 | 34,800 |
|------|--------|
| 2013 | 36,741 |
| 2014 | 38,789 |
| 2015 | 40,952 |
|      |        |

32,962

2011

Aucune clause restrictive n'a été imposée par le Canton.

| 8. Other long-term liabilities     |         |         | 8. Autres passifs à long terme      |
|------------------------------------|---------|---------|-------------------------------------|
|                                    | 2010    | 2009    |                                     |
|                                    | \$      | \$      |                                     |
| Retail settlement variance account | 84,660  | 180,046 | Écarts de prix avec les détaillants |
| LV - Wheeling                      | 44,228  | -       | Distribution à faible tension       |
| Customers' deposits                | 37,477  | 33,452  | Dépôts de clients                   |
| Hydro One                          | -       | 22,247  | Hydro One                           |
|                                    | 166,365 | 235,745 |                                     |
| Current portion                    | 24,817  | 43,039  | Tranche échéant à moins d'un an     |
|                                    | 141,548 | 192,706 |                                     |

**Hydro 2000 Inc.** Notes to the financial statements December 31, 2010

## Hydro 2000 Inc.

Notes complémentaires 31 décembre 2010

11. Renseignements complémentaires à

| 9. Share capital                             |         |         | 9. Capital-actions                                               |
|----------------------------------------------|---------|---------|------------------------------------------------------------------|
|                                              | 2010    | 2009    |                                                                  |
|                                              | \$      | \$      |                                                                  |
| Authorized, unlimited number                 |         |         | Autorisé, nombre illimité                                        |
| Voting Class A shares                        |         |         | Actions de catégorie A, avec droit de vote                       |
| Voting Class B shares, non-participating     |         |         | Actions de catégorie B, avec droit de vote, non<br>participantes |
| Non-voting Class C shares, non-participating |         |         | Actions de catégorie C, sans droit de vote, non participantes    |
| Issued                                       |         |         | Émis                                                             |
| 1 Class A share                              | 308,735 | 308,735 | 1 action de catégorie A                                          |

| 10. Revenues          |           |           | 10. Revenus                             |
|-----------------------|-----------|-----------|-----------------------------------------|
|                       | 2010      | 2009      |                                         |
|                       | \$        | \$        |                                         |
| Energy                |           |           | Énergie                                 |
| Residential           | 942,537   | 1,298,328 | Résidentiel                             |
| General < 50 KW       | 333,342   | 417,323   | Général < 50 KW                         |
| General < 50 KW - USL | 2,611     | 1,191     | Général < 50 KW - Charges sans compteur |
| General > 50 KW       | 334,426   | 335,844   | Général > 50 KW                         |
| Street light          | 15,625    | 37,223    | Éclairage des rues                      |
|                       | 1,628,541 | 2,089,909 |                                         |
| Distribution          |           |           | Distribution                            |
| Service charge        | 161,329   | 160,592   | Revenus de gestion                      |
| Distribution volume   | 139,244   | 163,132   | Revenus de livraison                    |
| Administration charge | 4,478     | 3,600     | Revenus d'administration                |
| Retailer charge       | 2,136     | 1,416     | Revenus des détaillants                 |
|                       | 307,187   | 328,740   |                                         |

## 11. Additional information relating to the

| statement of cash flows                                | l'état des flux de trésorerie |          |                                                                            |  |
|--------------------------------------------------------|-------------------------------|----------|----------------------------------------------------------------------------|--|
|                                                        | 2010                          | 2009     |                                                                            |  |
|                                                        | \$                            | \$       |                                                                            |  |
| Changes in non-cash operating working<br>capital items |                               |          | Variation des éléments hors caisse du fonds<br>de roulement d'exploitation |  |
| Accounts receivable                                    | (15,773)                      | (61,017) | Débiteurs                                                                  |  |
| Inventories                                            | -                             | 18,276   | Stocks                                                                     |  |
| Prepaid expenses                                       | 13,726                        | 11,577   | Charges payées d'avance                                                    |  |
| Income taxes receivable                                | 4,203                         | 2,508    | Impôts sur les bénéfices à recevoir                                        |  |
| Accounts payable                                       | 68,881                        | 31,027   | Créditeurs                                                                 |  |
| Other current liabilities                              | 35,252                        | (16,391) | Autres passifs à court terme                                               |  |
|                                                        | 106,289                       | (14,020) |                                                                            |  |

Notes to the financial statements December 31, 2010

11. Additional information relating to the

## Hydro 2000 Inc.

Notes complémentaires 31 décembre 2010

# 11. Renseignements complémentaires à l'état des flux de trésorerie (suite)

12. Opérations entre apparentés

| statement of cash flows (continued) | l'état des flux de tresorerie (suite) |        |                                |  |
|-------------------------------------|---------------------------------------|--------|--------------------------------|--|
|                                     | 2010                                  | 2009   |                                |  |
|                                     | \$                                    | \$     |                                |  |
| Other information                   |                                       |        | Autres renseignements          |  |
| Interest paid                       | 11,426                                | 14,576 | Intérêts payés                 |  |
| Income taxes paid                   | 10,221                                | 7,713  | Impôts sur les bénéfices payés |  |

#### 12. Related party transactions

The following amounts were paid to the Township of Alfred-Plantagenet, the only shareholder of the Corporation

| Corporation  |        |         | Société        |  |
|--------------|--------|---------|----------------|--|
|              | 2010   | 2009    |                |  |
|              | \$     | \$      |                |  |
| Note payable |        |         | Billet à payer |  |
| Principal    | 31,222 | 84,116  | Principal      |  |
| Interest     | 11,426 | 14,576  | Intérêts       |  |
| Rent         | 8,483  | 8,399   | Loyer          |  |
|              | 51.131 | 107.091 |                |  |

These transactions were made in the normal course of business and have been recorded at the exchange amounts.

#### 13. Financial statements' effects of rate regulation

Ces opérations ont été effectuées dans le cours normal des activités et ont été comptabilisées à la valeur d'échange.

Les montants suivants ont été versés au Canton

d'Alfred-Plantagenet, l'unique actionnaire de la

#### 13. Effets de la réglementation des tarifs sur les états financiers

|                                                                                                                                                                        | 2010     | 2009     |                                                                                                                                                                                                         |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                        | \$       | \$       |                                                                                                                                                                                                         |
| (Loss) earnings before income taxes established in<br>accordance with accounting principles for electricity<br>distributers as required by the Ontario Energy<br>Board | (32,102) | 17,390   | (Perte) bénéfice avant impôts sur les bénéfices<br>établis conformément aux principes comptables<br>pour les distributeurs d'électricité tels que requis par<br>la Commission de l'énergie de l'Ontario |
| Expenses/variances included in other assets/<br>liabilities                                                                                                            | 72,245   | 33,014   | Dépenses/variances incluses dans les autres actifs/passifs                                                                                                                                              |
| Carrying charges on other assets/liabilities                                                                                                                           | (1,041)  | 975      | Frais d'intérêts sur les autres actifs/passifs                                                                                                                                                          |
| Amortization of capital assets included in other assets                                                                                                                | (7,853)  | (3,805)  | Amortissement des immobilisations corporelles inclus dans les autres actifs                                                                                                                             |
| Recoveries                                                                                                                                                             | 77,136   | 40,201   | Recouvrements                                                                                                                                                                                           |
| Adjustments for energy and distribution revenues and cost of power                                                                                                     |          |          | Ajustements des revenus d'énergie et de distribution<br>et des coûts de l'énergie                                                                                                                       |
| Beginning of year                                                                                                                                                      | 71,432   | 74,660   | Début de l'exercice                                                                                                                                                                                     |
| End of year                                                                                                                                                            | (77,202) | (71,432) | Fin de l'exercice                                                                                                                                                                                       |
| Adjusted earnings before income taxes and before the effect of the regulation on the financial statements                                                              | 102,615  | 91,003   | Bénéfice avant impôts sur les bénéfices et avant<br>l'effet de la réglementation sur les états financiers                                                                                               |

Notes to the financial statements December 31, 2010

#### 14. Commitment

The Corporation leases office space under an operating lease which expires on March 31, 2016. Future lease payments aggregate \$ 55,400 and include the following amounts payable over the next six years:

## Hydro 2000 Inc.

Notes complémentaires 31 décembre 2010

#### 14. Engagement

La Société loue des bureaux en vertu d'un contrat de location-exploitation qui vient à échéance le 31 mars 2016. Les loyers futurs s'élèveront à 55 400 \$ et comprennent les paiements suivants pour les six prochains exercices:

\$

| 2011 | 9,234  |
|------|--------|
| 2012 | 11,080 |
| 2013 | 11,080 |
| 2014 | 11,080 |
| 2015 | 11,080 |
| 2016 | 1,846  |

# 15. Financial instruments and risk management

The Corporation, through its financial assets and liabilities, has exposure to the following risks from its use of financial instruments: credit risk, market risk, and liquidity risk. The following analysis provides a measurement of risk as at December 31, 2010.

#### Credit risk

The Corporation's principal financial assets are cash and accounts receivable, which are subject to credit risk. The carrying amounts of financial assets on the balance sheet represents the Corporation's maximum credit exposure at the balance sheet date.

The Corporation's credit risk is primarily attributable to its accounts receivable. The amounts disclosed in the balance sheet are net of allowance for doubtful accounts, estimated by the management of the Corporation based on previous experience and its assessment of the current economic environment. In order to reduce its risk, management has adopted credit policies that include regular review of credit limits. The Corporation does not have significant exposure to any individual customer and has not incurred any significant bad debts during the year. The credit risk on cash is limited because the counterparties are chartered banks with high credit-ratings assigned by national credit-rating agencies.

#### 15. Instruments financiers et gestion des risques

En raison de ses actifs et de ses passifs financiers, la Société est exposée aux risques suivants relatifs à l'utilisation d'instruments financiers: le risque de crédit, le risque de marché et le risque de liquidité. L'analyse suivante permet d'évaluer les risques au 31 décembre 2010.

#### Risque de crédit

Les principaux actifs financiers de la Société comprennent l'encaisse et les débiteurs, lesquels sont assujettis au risque de crédit. La valeur comptable des actifs financiers au bilan représente le risque de crédit maximal à la date du bilan.

Le risque de crédit de la Société est principalement imputable à ses créances clients. Les montants sont présentés dans le bilan déduction faite de la provision pour créances douteuses, laquelle a fait l'objet d'une estimation par la direction de la Société en fonction de l'expérience antérieure et de son évaluation de la conjoncture économique actuelle. Afin de réduire le risque, la direction a adopté des politiques de crédit qui comprennent une révision régulière des limites de crédit. La Société n'est exposée à aucun risque important à l'égard d'un client particulier et n'a eu aucune créance irrécouvrable importante au cours de l'exercice. Le risque de crédit lié à l'encaisse est limité puisque les contreparties sont des banques à charte jouissant de cotes de solvabilité élevées attribuées par des agences de notation nationales.

Notes to the financial statements December 31, 2010

### Hydro 2000 Inc.

Notes complémentaires 31 décembre 2010

# 15. Financial instruments and risk management (continued)

As at December 31, 2010, the aging of accounts receivable was:

# 15. Instruments financiers et gestion des risques (suite)

Au 31 décembre 2010, le classement par échéance des débiteurs était le suivant :

|                                                    | 2010    | 2009    |                                                         |  |  |  |
|----------------------------------------------------|---------|---------|---------------------------------------------------------|--|--|--|
|                                                    | \$      | \$      |                                                         |  |  |  |
| Trade                                              |         |         | Clients                                                 |  |  |  |
| Current                                            | 186,832 | 200,701 | Courant                                                 |  |  |  |
| Aged between 31 – 90 days                          | 28,211  | 6,244   | Entre 31 et 90 jours                                    |  |  |  |
| Aged greater than 90 days                          | 36,877  | 26,982  | Plus de 90 jours                                        |  |  |  |
|                                                    | 251,920 | 233,927 |                                                         |  |  |  |
| Allowance for doubtful accounts                    | (9,130) | (6,910) | Provision pour créances douteuses                       |  |  |  |
|                                                    | 242,790 | 227,017 |                                                         |  |  |  |
| Reconciliation of allowance for doubtful accounts: |         |         | Rapprochement de la provision pour créances douteuses : |  |  |  |
|                                                    | 2010    | 2009    |                                                         |  |  |  |
|                                                    | \$      | \$      |                                                         |  |  |  |
| Balance, beginning of year                         | 6,910   | 8,669   | Solde au début                                          |  |  |  |
| Increase during the year                           | 6,630   | 6,480   | Augmentation au cours de l'exercice                     |  |  |  |
| Bad debts written off during the year              | (4,410) | (8,239) | Créances douteuses radiées au cours de l'exercice       |  |  |  |
| Balance, end of year                               | 9,130   | 6,910   | Solde à la fin                                          |  |  |  |
|                                                    |         |         |                                                         |  |  |  |

#### Interest rate risk

The note payable bears interest at a fixed rate. Consequently, the cash flow exposure is not significant. However, the fair value of loans having fixed rates of interest, could fluctuate because of changes in market interest rates.

#### Liquidity risk

The Corporation's objective is to have sufficient liquidity to meet its liabilities when due. The Corporation monitors its cash balances and cash flows generated from operations to meet its requirements. The Corporation has the following financial liabilities as at December 31, 2010:

#### Risque de taux d'intérêt

Le billet à payer porte intérêt à taux fixe. Par conséquent, les risques de trésorerie sont minimes. Toutefois, la juste valeur des emprunts dont le taux d'intérêt est fixe pourrait fluctuer en fonction des variations des taux d'intérêt du marché.

#### Risque de liquidité

Le risque de liquidité est le risque que la Société ne soit pas en mesure de remplir ses obligations financières à leur échéance. La Société surveille le solde de son encaisse et ses flux de trésorerie qui découlent de son exploitation pour être en mesure de respecter ses engagements. Au 31 décembre 2010, les passifs financiers de la Société étaient les suivants :

Notes to the financial statements December 31, 2010

#### Hydro 2000 Inc.

Notes complémentaires 31 décembre 2010

# 15. Financial instruments and risk management (continued)

Liquidity risk (continued)

# 15. Instruments financiers et gestion des risques (suite)

Risque de liquidité (suite)

|                             | Net book<br>value/Valeur<br>comptable<br>nette | 2011    | 2012   | 2013 and<br>after/<br>2013 et<br>après |                              |
|-----------------------------|------------------------------------------------|---------|--------|----------------------------------------|------------------------------|
|                             | \$                                             | \$      | \$     | \$                                     |                              |
| Accounts payable            | 144,283                                        | 144,283 | -      | -                                      | Créditeurs                   |
| Other current liabilities   | 215,554                                        | 215,554 | -      | -                                      | Autres passifs à court terme |
| Note payable                | 184,244                                        | 32,962  | 34,800 | 116,482                                | Billet à payer               |
| Other long-term liabilities | 166,365                                        | 24,817  | 12,660 | 128,888                                | Autres passifs à long terme  |
|                             | 710,446                                        | 417,616 | 47,460 | 245,370                                |                              |

#### Fair value

#### Establishing fair value

The fair value of cash, accounts receivable, accounts payable and other current liabilities approximates their carrying values due to their short-term maturity.

The fair value of note payable approximates its carrying value as it has financing conditions similar to those currently available to the Corporation.

#### Fair value hierarchy

Financial instruments recorded at fair value on the balance sheet are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on unadjusted prices for identical assets or liabilities;

Level 2 - valuation techniques based on inputs other than prices included in Level 1 that are observable for the asset or liability, either directly or indirectly;

Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data.

#### Juste valeur

#### Détermination de la juste valeur

Les justes valeurs de l'encaisse, des débiteurs, des créditeurs et autres passifs à court terme correspondent approximativement à leur valeur comptable en raison de leur échéance à court terme.

La juste valeur du billet à payer correspond approximativement à sa valeur comptable étant donné que la dette comporte des conditions de financement que la Société pourrait obtenir actuellement.

#### Hiérarchie des évaluations à la juste valeur

Les instruments financiers comptabilisés à la juste valeur au bilan sont classés selon une hiérarchie qui reflète l'importance des données utilisées pour effectuer les évaluations. La hiérarchie des évaluations à la juste valeur se compose des niveaux suivants :

Niveau 1 - évaluation fondée sur les prix non rajustés pour des actifs ou passifs identiques;

Niveau 2 - techniques d'évaluation fondées sur des données autres que les prix visés au niveau 1, qui sont observables pour l'actif ou le passif, directement ou indirectement;

Niveau 3 - techniques d'évaluation fondées sur une part importante de données relatives à l'actif ou au passif qui ne sont pas fondées sur des données de marché observables.

Notes to the financial statements December 31, 2010

# 15. Financial instruments and risk management (continued)

Fair value (continued)

#### Fair value hierarchy (continued)

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The following table presents the financial instruments recorded at fair value in the balance sheet, classified using the fair value hierarchy described above:

## Hydro 2000 Inc.

Notes complémentaires 31 décembre 2010

# 15. Instruments financiers et gestion des risques (suite)

Juste valeur (suite)

#### Hiérarchie des évaluations à la juste valeur (suite)

La hiérarchie qui s'applique dans le cadre de la détermination de la juste valeur exige l'utilisation de données observables sur le marché chaque fois que de telles données existent. Un instrument financier est classé au niveau le plus bas de la hiérarchie pour lequel une donnée importante a été prise en compte dans l'évaluation de la juste valeur.

Le tableau suivant présente les instruments financiers comptabilisés à la juste valeur au bilan classés selon la hiérarchie d'évaluation décrite cidessus :

|                          | Level 1/ | Level 2/ | Level 3/ | Total<br>financial<br>assets at fair<br>value/<br>Total des<br>actifs<br>financiers à |                           |  |
|--------------------------|----------|----------|----------|---------------------------------------------------------------------------------------|---------------------------|--|
|                          | Niveau 1 | Niveau 2 | Niveau 3 | la juste<br>valeur                                                                    |                           |  |
|                          | \$       | \$       | \$       | \$                                                                                    |                           |  |
| 2010                     |          | ·        |          | ·                                                                                     | 2010                      |  |
| Financial assets         |          |          |          |                                                                                       | Actifs financiers         |  |
| Cash                     | 375,082  | -        | -        | 375,082                                                                               | Encaisse                  |  |
| 2009<br>Financial assets |          |          |          |                                                                                       | 2009<br>Actifs financiers |  |
| Cash                     | 314,786  | -        | -        | 314,786                                                                               | Encaisse                  |  |

During the year, there has been no significant transfer of amounts between Levels 1 and 2.

Au cours de l'exercice, il n'y a eu aucun transfert important de montants entre les niveaux 1 et 2.

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 1 Tab 3 Schedule 2 Page 1 of 1

## Historical Financial Results Filings

- 1
- 2

3

- Please find at Attachment 1, the account balances for 2008 to 2010. These balances
- 4 match the balances that were filed as part of the utility's RRR filings.

Hydro 2000 (ED-2002-0542) 2012 EDR Application (EB-2011-0326) version: 10 October 10, 2011

## Table 1.3.2.1 2008-2010 Actual Balances

Enter historical approved and actual results by USA account

| Account Grouping                       | Account Decerintian                                     | 2010        | 2009        | 2008        |  | 2008 EDR    |
|----------------------------------------|---------------------------------------------------------|-------------|-------------|-------------|--|-------------|
| Account Grouping                       | Account Description                                     | Actual      | Actual      | Actual      |  | Approved    |
| 1050-Current Assets                    | 1005-Cash                                               | 375,081.86  | 314,785.67  | 595,947.08  |  | 480,527.00  |
|                                        | 1010-Cash Advances and Working Funds                    |             |             | 400.00      |  | 200.00      |
|                                        | 1100-Customer Accounts Receivable                       | 191,518.95  | 211,125.31  | 168,880.69  |  | 180,664.00  |
|                                        | 1102-Accounts Receivable - Services                     |             | -3,420.07   |             |  |             |
|                                        | 1110-Other Accounts Receivable                          | 47,354.83   | 26,221.63   |             |  | 12,489.00   |
|                                        | 1120-Accrued Utility Revenues                           |             |             |             |  | 380,119.00  |
|                                        | 1130-Accumulated Provision for Uncollectible            | -9,129.57   | -6,910.03   | -8,668.63   |  | -3,663.00   |
|                                        | AccountsCredit                                          |             |             |             |  |             |
|                                        | 1180-Prepayments                                        | 26,259.15   | 39,984.51   | 51,561.68   |  | 7,759.00    |
| 1100-Inventory                         | 1340-Merchandise                                        |             |             | 18,276.00   |  | 15,606.00   |
| 1200-Other Assets and Deferred Charges | 1508-Other Reg Assets-OEB Cost Assessments              | 663.45      | 337.71      |             |  | 18,016.00   |
|                                        | 1521-Special Purpose Charge Assessment                  | 6.049.94    |             |             |  |             |
|                                        | Variance Account                                        | 0,049.94    |             |             |  |             |
|                                        | 1525-Miscellaneous Deferred Debits                      |             |             |             |  | 21,287.00   |
|                                        | 1550-LV Variance Account                                | -44,228.00  | 47,632.45   | 54,635.50   |  | 21,012.00   |
|                                        | 1555-Smart Meters Capital Variance Account              | 157,999.54  | 166,703.19  | -8,256.15   |  | -2,402.00   |
|                                        | 1556-Smart Meters OM&A Variance Account                 | 20,753.53   | 4,306.22    |             |  |             |
|                                        | 1562-Deferred Payments in Lieu of Taxes                 | -113,989.05 | -113,283.66 | -112,277.52 |  | -97,705.00  |
|                                        | 1563-Account 1563 - Deferred PILs Contra<br>Account     | 113,989.05  | 113,283.66  | 112,277.52  |  | 97,705.00   |
|                                        | 1565-Conservation and Demand Management                 |             | 2,967.68    | 2,937.20    |  |             |
|                                        | Expenditures and Recoveries                             | 9,989.07    |             |             |  | 2,710.00    |
|                                        | 1566-CDM Contra Account                                 | -2,989.07   | -2,967.68   | -2,937.20   |  | -2,871.00   |
|                                        | 1570-Qualifying Transition Costs                        |             |             |             |  | 156,397.00  |
|                                        | 1571-Pre-market Opening Energy Variance                 |             |             |             |  | 186,893.00  |
|                                        | 1580-RSVAWMS                                            | -41,468.67  | -13,287.91  | 2,598.00    |  | 52,442.00   |
|                                        | 1582-RSVAONE-TIME                                       |             |             |             |  | 4,347.00    |
|                                        | 1584-RSVANW                                             | -28,447.03  | -47,932.15  | -32,699.15  |  | -68,885.00  |
|                                        | 1586-RSVACN                                             | -22,459.41  | -48,142.24  | -33,552.16  |  | 364,791.00  |
|                                        | 1588-RSVAPOWER Main Account                             | 7,715.30    | -70,684.11  | -88,145.79  |  | 76,239.00   |
|                                        | 1590-Recovery of Regulatory Asset Balances              |             | 105,300.89  | 107,199.16  |  | -386,824.00 |
|                                        | 1592-2006 PILs/Taxes Variance                           | 30,078.31   | 34,338.76   | 38,270.69   |  |             |
|                                        | 1595-Disposition and Recovery of Regulatory<br>Balances | 80,521.40   | 52,949.05   | 75,828.93   |  |             |

#### Table 1.3.2.1 2008-2010 Actual Balances

Enter historical approved and actual results by USA account

| Account Crowning              | Associat Departmention                                                               | 2010        | 2009        | 2008        | 2008 EDR      |
|-------------------------------|--------------------------------------------------------------------------------------|-------------|-------------|-------------|---------------|
| Account Grouping              | Account Description                                                                  | Actual      | Actual      | Actual      | Approved      |
| 1300-Intangible Plant         | 1606-Organization                                                                    |             |             | 878.00      | 1,341.00      |
| 1450-Distribution Plant       | 1830-Poles, Towers and Fixtures                                                      | 271,450.43  | 262,611.18  | 218,154.43  | 194,996.00    |
|                               | 1835-Overhead Conductors and Devices                                                 | 284,924.66  | 259,038.49  | 248,218.74  | 219,684.00    |
|                               | 1840-Underground Conduit                                                             | 13,404.71   | 13,404.71   | 13,404.71   | 13,405.00     |
|                               | 1845-Underground Conductors and Devices                                              | 93,348.16   | 93,128.16   | 73,218.52   | 127,183.00    |
|                               | 1850-Line Transformers                                                               | 104,546.40  | 98,118.40   | 80,634.00   | 76,694.00     |
|                               | 1855-Services                                                                        | 69,709.31   | 66,474.31   | 57,867.06   | 52,400.00     |
|                               | 1860-Meters                                                                          | 55,832.63   | 53,684.37   | 49,068.37   | 48,889.00     |
| 1500-General Plant            | 1915-Office Furniture and Equipment                                                  | 4,619.89    | 4,158.19    | 3,861.19    | 3,246.00      |
|                               | 1920-Computer Equipment - Hardware                                                   | 38,310.76   | 31,177.75   | 30,127.82   | 24,819.00     |
|                               | 1925-Computer Software                                                               | 87,934.69   | 72,068.75   | 70,023.28   | 80,598.00     |
| 1550-Other Capital Assets     | 1995-Contributions and Grants - Credit                                               | -148,262.45 | -140,754.26 | -110,995.05 | -107,165.00   |
| 1600-Accumulated Amortization | 2105-Accum. Amortization of Electric Utility Plant -<br>Property, Plant, & Equipment | -429,406.37 | -374,064.05 | -321,680.07 | -325,648.00   |
| 1650-Current Liabilities      | 2205-Accounts Payable                                                                | -113,846.08 | -73,986.18  | -123,206.24 | -628,083.00   |
|                               | 2208-Customer Credit Balances                                                        | -215,554.29 | -180,301.87 | -196,692.54 | -177,811.00   |
|                               | 2210-Current Portion of Customer Deposits                                            | -24,816.63  | -20,791.67  | -24,465.04  | -16,995.00    |
|                               | 2220-Miscellaneous Current and Accrued                                               | -17,374.70  | -15,553.89  | -17,239.38  | -6,887.00     |
|                               | Liabilities                                                                          | -17,374.70  | -10,000.09  | -17,239.30  | -0,007.00     |
|                               | 2250-Debt Retirement Charges( DRC) Payable                                           |             | -0.40       | 27,113.28   |               |
|                               | 2290-Commodity Taxes                                                                 | -15.33      | -8,107.28   | -5,297.39   | 8,865.00      |
|                               | 2294-Accrual for Taxes, Payments in Lieu of<br>Taxes, Etc.                           | 9,576.00    | 13,779.00   | 16,287.00   | -10,211.00    |
|                               | 2296-Future Income Taxes - Current                                                   | 12,672.00   | -6,686.00   | -53,423.00  | -66,955.00    |
| 1700-Non-Current Liabilities  | 2335-Long Term Customer Deposits                                                     | -12,660.35  | -12,660.25  | -5,665.18   | -4,131.00     |
| 1800-Long-Term Debt           | 2520-Other Long Term Debt                                                            | -184,244.77 | -215,466.47 | -299,582.07 | -348,516.00   |
| 1850-Shareholders' Equity     | 3005-Common Shares Issued                                                            | -308,735.00 | -308,735.00 | -308,735.00 | -308,735.00   |
|                               | 3045-Unappropriated Retained Earnings                                                | -423,844.87 | -409,266.26 | -366,288.98 | -389,628.00   |
|                               | 3046-Balance Transferred From Income                                                 | 27,167.60   | -14,578.61  | -3,650.28   | 21,793.00     |
| 3000-Sales of Electricity     | 4006-Residential Energy Sales                                                        | -675,557.83 | -947,937.14 | -889,053.74 | -1,556,128.00 |
|                               | 4010-Commercial Energy Sales                                                         | -383,223.20 | -562,985.16 | -542,822.07 |               |
|                               | 4025-Street Lighting Energy Sales                                                    | -12,131.19  | -23,874.65  | -21,337.05  | -23,667.00    |
|                               | 4035-General Energy Sales                                                            | -106,999.52 |             |             | -18,393.00    |
|                               | 4055-Energy Sales for Resale                                                         | -24,697.53  | -23,711.98  |             | -3,037.00     |
|                               | 4062-Billed WMS                                                                      | -130,482.88 | -168,870.59 | -162,466.50 | -160,329.00   |

#### Table 1.3.2.1 2008-2010 Actual Balances

Enter historical approved and actual results by USA account

| Account Crowning                           | Account Deceription                            | 2010         | 2009         | 2008         | 2008 EDR        |
|--------------------------------------------|------------------------------------------------|--------------|--------------|--------------|-----------------|
| Account Grouping                           | Account Description                            | Actual       | Actual       | Actual       | Approved        |
|                                            | 4066-Billed NW                                 | -116,202.09  | -127,241.30  | -132,842.08  | <br>-129,004.00 |
|                                            | 4068-Billed CN                                 | -99,297.16   | -116,542.98  | -119,293.39  | <br>-132,270.00 |
|                                            | 4075-Billed-LV                                 | -79,949.85   | -118,745.09  | -121,011.07  | <br>-56,565.00  |
| 3050-Revenues From Services - Distribution | 4080-Distribution Services Revenue             | -305,051.35  | -327,324.32  | -264,054.31  | <br>-236,348.00 |
|                                            | 4082-Retail Services Revenues                  | -2,134.10    | -1,363.70    | -1,607.80    | <br>-1,329.00   |
|                                            | 4084-Service Transaction Requests (STR)        | -2.00        | -52.00       | -25.25       | -30.00          |
|                                            | Revenues                                       | -2.00        | -52.00       | -20.20       | <br>-30.00      |
| 3100-Other Operating Revenues              | 4210-Rent from Electric Property               | -6,412.63    | -6,412.63    | -3,666.67    | <br>-6,526.00   |
|                                            | 4225-Late Payment Charges                      | -6,120.29    | -5,048.34    | -5,771.75    | <br>-4,403.00   |
|                                            | 4235-Miscellaneous Service Revenues            | -5,053.00    | -4,946.08    |              | <br>-3,474.00   |
| 3150-Other Income & Deductions             | 4325-Revenues from Merchandise, Jobbing, Etc.  | -974.26      | -3,474.07    |              |                 |
|                                            | 4385-Non-Utility Rental Income                 | -4,000.00    | -2,811.13    | -2,699.34    |                 |
|                                            | 4390-Miscellaneous Non-Operating Income        | -1,193.72    | -332.68      | -710.20      | -596.00         |
| 3200-Investment Income                     | 4405-Interest and Dividend Income              | -9,156.15    | -13,397.59   | -50,218.05   |                 |
| 3350-Power Supply Expenses                 | 4705-Power Purchased                           | 1,202,609.27 | 1,558,508.93 | 1,453,212.86 | 1,601,226.00    |
|                                            | 4708-Charges-WMS                               | 130,482.88   | 168,870.59   | 162,466.50   | 160,329.00      |
|                                            | 4714-Charges-NW                                | 116,202.09   | 127,241.30   | 132,842.08   | 109,736.00      |
|                                            | 4716-Charges-CN                                | 99,297.16    | 116,542.98   | 119,293.39   | 106,254.00      |
|                                            | 4750-Charges-LV                                | 79,949.85    | 118,745.09   | 121,011.07   | 56,565.00       |
| 3500-Distribution Expenses - Operation     | 5010-Load Dispatching                          |              | 9,080.00     |              |                 |
|                                            | 5035-Overhead Distribution Transformers-       | 070.00       | 402.00       | 402.00       | 402.00          |
|                                            | Operation                                      | 878.00       | 463.00       | 463.00       | 463.00          |
|                                            | 5065-Meter Expense                             |              | 554.03       |              | 275.00          |
| 2550 Distribution European Maintenance     | 5125-Maintenance of Overhead Conductors and    | 04 70        | 7 074 00     | 2 200 00     | 4 004 00        |
| 3550-Distribution Expenses - Maintenance   | Devices                                        | -91.73       | 7,271.83     | 2,309.09     | 4,064.00        |
|                                            | 5135-Overhead Distribution Lines and Feeders - |              | 4 040 50     | 450.00       |                 |
|                                            | Right of Way                                   |              | 1,912.50     | 450.00       |                 |
|                                            | 5155-Maintenance of Underground Services       | 4,537.50     |              | 5,255.00     |                 |
|                                            | 5175-Maintenance of Meters                     |              |              | 861.84       | 1,653.00        |
| 3650-Billing and Collecting                | 5315-Customer Billing                          | 95,743.59    | 87,660.62    | 81,079.57    | 86,984.00       |
| _ 0                                        | 5330-Collection Charges                        |              |              |              | 121.00          |
|                                            | 5335-Bad Debt Expense                          | 6,629.57     | 6,479.67     | 8,390.60     | 7,460.00        |
| 3800-Administrative and General Expenses   | 5605-Executive Salaries and Expenses           | 13,401.33    | 10,792.11    | 10,250.89    | 8,871.00        |
|                                            | 5610-Management Salaries and Expenses          | 76,588.23    | 72,442.59    | 63,670.62    | 61,263.00       |

## Table 1.3.2.1 2008-2010 Actual Balances

Enter historical approved and actual results by USA account

| Account Crowning                 | Account Description                                        | 2010       | 2009       | 2008       | 2008 EDR  |
|----------------------------------|------------------------------------------------------------|------------|------------|------------|-----------|
| Account Grouping                 | Account Description                                        | Actual     | Actual     | Actual     | Approved  |
|                                  | 5615-General Administrative Salaries and<br>Expenses       | 4,700.00   |            | 50.00      |           |
|                                  | 5620-Office Supplies and Expenses                          | 10,605.50  | 11,479.07  | 10,278.77  | 9,013.00  |
|                                  | 5630-Outside Services Employed                             | 11,000.00  | 14,548.37  | 18,859.00  | 28,733.00 |
|                                  | 5635-Property Insurance                                    | 3,309.04   | 3,998.16   | 4,154.76   | 3,410.00  |
|                                  | 5645-Employee Pensions and Benefits                        | 6,801.57   | 7,859.47   | 8,132.31   | 8,159.00  |
|                                  | 5655-Regulatory Expenses                                   | 54,539.69  | 23,440.33  | 21,766.27  | 30,500.00 |
|                                  | 5670-Rent                                                  | 8,483.40   | 8,399.40   | 8,231.28   | 7,873.00  |
|                                  | 5680-Electrical Safety Authority Fees                      | 100.00     | 1,462.97   |            | 3,809.00  |
| 3850-Amortization Expense        | 5705-Amortization Expense - Property, Plant, and Equipment | 55,342.32  | 52,383.98  | 47,544.15  | 51,889.00 |
| 3900-Interest Expense            | 6005-Interest on Long Term Debt                            | 11,427.18  | 14,575.98  | 17,518.34  | 20,103.00 |
|                                  | 6035-Other Interest Expense                                | 7,081.91   | 12,453.85  | 35,701.02  | 230.00    |
| 4000-Income Taxes                | 6110-Income Taxes                                          | 14,424.00  | 10,221.00  | 7,713.00   | 10,211.00 |
|                                  | 6115-Provision for Future Income Taxes                     | -19,358.00 | -7,410.00  | -22,230.00 | -9,287.00 |
| 4100-Extraordinary & Other Items | 6205-Donations                                             | 2,000.00   | 100.00     |            | 300.00    |
| Balance Sheet Total              |                                                            | -0.02      | -0.00      | -0.00      |           |
| Net Income                       |                                                            | 28,045.60  | -14,993.61 | 1,696.14   |           |

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# Reconciliation between Financial Statements and Results Filed

3 The financial Statements filed and results filed in the application are consistent.

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## **Financial Projections**

- 1
- 2

The following Attachment shows the pro-forma Income Statement and Balance Sheet for the 2012 Test Year. The budgeting process used by Hydro 2000 to prepare its projections for the 2012 test year as well as the changes in budgeting methodology which were adopted in preparing projections for the 2012 test year are presented at Tab 2 of this Exhibit.

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#### S1 Finalize 2011 Pro-forma Projections

| -                              |                                                                        | 2010     |              | 2011     |            |         |
|--------------------------------|------------------------------------------------------------------------|----------|--------------|----------|------------|---------|
| Account Grouping               | Account Description                                                    | Actual   | Model        | Override | Final      | Comment |
|                                |                                                                        |          | Projection * | Amount   | Projection |         |
| 1050-Current Assets            | 1005-Cash                                                              | 375,082  |              | 254,820  | 254,820    |         |
|                                | 1100-Customer Accounts Receivable                                      | 191,519  |              | 200,000  | 200,000    |         |
|                                | 1110-Other Accounts Receivable                                         | 47,355   |              | 47,000   | 47,000     |         |
|                                | 1130-Accumulated Provision for Uncollectible Accounts<br>Credit        | -9,130   |              | -18,000  | -18,000    |         |
|                                | 1180-Prepayments                                                       | 26,259   |              | 212,000  | 212,000    |         |
| 1200-Other Assets and Deferred |                                                                        |          |              | 212,000  |            |         |
| Charges                        | 1508-Other Reg Assets-OEB Cost Assessments                             | 663      | 674          |          | 674        |         |
|                                | 1521-Special Purpose Charge Assessment Variance<br>Account             | 6,050    | 1,021        |          | 1,021      |         |
|                                | 1550-LV Variance Account                                               | -44,228  | -44,875      |          | -44,875    |         |
|                                | 1555-Smart Meters Capital Variance Account                             | 158,000  | -52,155      |          | -52,155    |         |
|                                | 1556-Smart Meters OM&A Variance Account                                | 20,754   | 0            |          | 0          |         |
|                                | 1562-Deferred Payments in Lieu of Taxes                                | -113,989 | -13,152      |          | -13,152    |         |
|                                | 1563-Account 1563 - Deferred PILs Contra Account                       | 113,989  | 13,152       |          | 13,152     |         |
|                                | 1565-Conservation and Demand Management Expenditures<br>and Recoveries | 9,989    | 3,027        |          | 3,027      |         |
|                                | 1566-CDM Contra Account                                                | -2,989   | -3,027       |          | -3,027     |         |
|                                | 1580-RSVAWMS                                                           | -41,469  | -42,073      |          | -42,073    |         |
|                                | 1584-RSVANW                                                            | -28,447  | -28,861      |          | -28,861    |         |
|                                | 1586-RSVACN                                                            | -22,459  | -22,786      |          | -22,786    |         |
|                                | 1588-RSVAPOWER Main Account                                            | 7,715    | -25,663      |          | -25,663    |         |
|                                | 1589-1588 Global Adjustment sub-account                                |          | 33,503       |          | 33,503     |         |
|                                | 1590-Recovery of Regulatory Asset Balances                             |          | -1           |          | -1         |         |
|                                | 1592-2006 PILs/Taxes Variance                                          | 30,078   | 30,188       |          | 30,188     |         |
|                                | 1595-Disposition and Recovery of Regulatory Balances                   | 80,521   |              |          |            |         |
| 1450-Distribution Plant        | 1810-Leasehold Improvements                                            |          | 16,029       |          | 16,029     |         |
|                                | 1830-Poles, Towers and Fixtures                                        | 271,450  | 285,874      |          | 285,874    |         |
|                                | 1835-Overhead Conductors and Devices                                   | 284,925  | 304,765      |          | 304,765    |         |
|                                | 1840-Underground Conduit                                               | 13,405   | 13,405       |          | 13,405     |         |

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#### S1 Finalize 2011 Pro-forma Projections

|                                |                                                                | 2010                       |                                       | 2011     |                      |         |
|--------------------------------|----------------------------------------------------------------|----------------------------|---------------------------------------|----------|----------------------|---------|
| Account Grouping               | Account Description                                            | Actual                     | Model                                 | Override | Final                | Comment |
|                                |                                                                | Actual                     | Projection *                          | Amount   | Projection           |         |
|                                | 1845-Underground Conductors and Devices                        | 93,348                     | 93,348                                |          | 93,348               |         |
|                                | 1850-Line Transformers                                         | 104,546                    | 109,546                               |          | 109,546              |         |
|                                | 1855-Services                                                  | 69,709                     | 69,982                                |          | 69,982               |         |
|                                | 1860-Meters                                                    | 55,833                     | 2,370                                 | 225,428  | 225,428              |         |
| 1500-General Plant             | 1915-Office Furniture and Equipment                            | 4,620                      | 10,631                                |          | 10,631               |         |
|                                | 1920-Computer Equipment - Hardware                             | 38,311                     | 42,045                                |          | 42,045               |         |
|                                | 1925-Computer Software                                         | 87,935                     | 103,336                               |          | 103,336              |         |
| 1550-Other Capital Assets      | 1995-Contributions and Grants - Credit                         | -148,262                   | -148,262                              |          | -148,262             |         |
|                                | 2105-Accum. Amortization of Electric Utility Plant - Property, |                            |                                       |          |                      |         |
| 1600-Accumulated Amortization  | Plant, & Equipment                                             | -429,406                   | -479,107                              |          | -479,107             |         |
| 1650-Current Liabilities       | 2205-Accounts Payable                                          | -113,846                   |                                       | -144,909 | -144,909             |         |
|                                | 2208-Customer Credit Balances                                  | -215,554                   | i                                     | -220,000 | -220,000             |         |
|                                | 2210-Current Portion of Customer Deposits                      | -24,817                    | i                                     | -25,000  | -25,000              | (       |
|                                | 2220-Miscellaneous Current and Accrued Liabilities             | -17,375                    | i i i i i i i i i i i i i i i i i i i | -20,000  | -20,000              |         |
|                                | 2290-Commodity Taxes                                           | -15                        | i i i i i i i i i i i i i i i i i i i |          |                      |         |
|                                | 2294-Accrual for Taxes, Payments in Lieu of Taxes, Etc.        | 9,576                      |                                       |          |                      |         |
|                                | 2296-Future Income Taxes - Current                             | 12,672                     |                                       | 13,000   | 13,000               |         |
| 1700-Non-Current Liabilities   | 2335-Long Term Customer Deposits                               | -12,660                    |                                       | -13,000  | -13,000              |         |
| 1800-Long-Term Debt            | 2520-Other Long Term Debt                                      | -184,245                   |                                       | -151,282 | -151,282             |         |
| 1850-Shareholders' Equity      | 3005-Common Shares Issued                                      | -308,735                   |                                       | -308,735 | -308,735             |         |
| Tood charcholaels Equity       | 3045-Unappropriated Retained Earnings                          | -423,845                   | -396,677                              | 000,700  | -396,677             |         |
|                                | 3046-Balance Transferred From Income                           | 27,168                     | 75,813                                |          | 75,813               |         |
| 3000-Sales of Electricity      | 4006-Residential Energy Sales                                  | -675,558                   | -1,047,309                            |          | -1.047.309           |         |
| Sour-Sales of Electricity      | 4010-Commercial Energy Sales                                   | -383,223                   | -1,047,508                            |          | -1,0+1,003           |         |
|                                | 4025-Street Lighting Energy Sales                              | -12,131                    |                                       |          |                      |         |
|                                | 4035-General Energy Sales                                      | -107,000                   | -694,385                              |          | -694,385             |         |
|                                | 4055-Energy Sales for Resale                                   | -24,698                    | -034,303                              |          | -094,303             |         |
|                                | 4003-Ellergy Sales for Resale                                  | -130,483                   | -169,832                              |          | -169,832             |         |
|                                | 4066-Billed NW                                                 | -116,202                   | -142,937                              |          | -142,937             |         |
|                                | 4008-Billed CN                                                 | -116,202<br>-99,297        | -142,937<br>-116,264                  |          | -142,937<br>-116,264 |         |
|                                | 4000-Billed CN<br>4075-Billed-LV                               | - <u>99,297</u><br>-79,950 | -101,512                              |          | -110,204<br>-101,512 |         |
| 3050-Revenues From Services -  |                                                                | -79,950                    | -101,512                              |          | -101,512             |         |
| Distribution                   | 4080-Distribution Services Revenue                             | -305,051                   | -316,765                              |          | -316,765             |         |
|                                | 4082-Retail Services Revenues                                  | -2,134                     |                                       |          |                      |         |
|                                | 4084-Service Transaction Requests (STR) Revenues               | -2                         | -75                                   |          | -75                  |         |
| 3100-Other Operating Revenues  | 4210-Rent from Electric Property                               | -6,413                     | -6,413                                |          | -6,413               |         |
| o too other operating Nevenues | 4225-Late Payment Charges                                      | -6,120                     | -6,120                                |          | -6,120               |         |
|                                | 4235-Miscellaneous Service Revenues                            | -5,053                     | -4,032                                |          | -4.032               |         |
| 3150-Other Income & Deductions | 4325-Revenues from Merchandise, Jobbing, Etc.                  | - <u>5,053</u><br>-974     | -4,032                                |          | -4,032               |         |
|                                | 4325-Non-Utility Rental Income                                 | -4,000                     |                                       |          |                      |         |
|                                | 4390-Miscellaneous Non-Operating Income                        | -4,000<br>-1,194           |                                       |          |                      |         |
| 2200 Investment Income         |                                                                |                            |                                       |          |                      |         |
| 3200-Investment Income         | 4405-Interest and Dividend Income                              | -9,156                     | ]                                     | l        |                      | l       |

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#### S1 Finalize 2011 Pro-forma Projections

|                                             |                                                                 | 2010      |              | 2011     |            |         |
|---------------------------------------------|-----------------------------------------------------------------|-----------|--------------|----------|------------|---------|
| Account Grouping                            | Account Description                                             | Actual    | Model        | Override | Final      | Comment |
|                                             |                                                                 |           | Projection * | Amount   | Projection |         |
| 3350-Power Supply Expenses                  | 4705-Power Purchased                                            | 1,202,609 | 1,741,695    |          | 1,741,695  |         |
|                                             | 4708-Charges-WMS                                                | 130,483   | 135,866      |          | 135,866    |         |
|                                             | 4714-Charges-NW                                                 | 116,202   | 142,937      |          | 142,937    |         |
|                                             | 4716-Charges-CN                                                 | 99,297    | 116,264      |          | 116,264    |         |
|                                             | 4730-Rural Rate Assistance Expense                              |           | 33,966       |          | 33,966     |         |
|                                             | 4750-Charges-LV                                                 | 79,950    | 101,512      |          | 101,512    |         |
| 3500-Distribution Expenses -<br>Operation   | 5010-Load Dispatching                                           |           | 9,000        |          | 9,000      |         |
|                                             | 5020-Overhead Distribution Lines and Feeders - Operation Labour |           | 1,500        |          | 1,500      |         |
|                                             | 5035-Overhead Distribution Transformers- Operation              | 878       | 1,725        |          | 1,725      |         |
| 3550-Distribution Expenses -<br>Maintenance | 5125-Maintenance of Overhead Conductors and Devices             | -92       | 1,025        |          | 1,025      |         |
|                                             | 5135-Overhead Distribution Lines and Feeders - Right of<br>Way  |           | 1,025        |          | 1,025      |         |
|                                             | 5155-Maintenance of Underground Services                        | 4,538     |              |          |            |         |
| 3650-Billing and Collecting                 | 5315-Customer Billing                                           | 95,744    | 109,596      |          | 109,596    |         |
|                                             | 5335-Bad Debt Expense                                           | 6,630     | 12,000       |          | 12,000     |         |
| 3700-Community Relations                    | 5410-Community Relations - Sundry                               |           | 700          |          | 700        |         |
| 3800-Administrative and General<br>Expenses | 5605-Executive Salaries and Expenses                            | 13,401    | 12,000       |          | 12,000     |         |
|                                             | 5610-Management Salaries and Expenses                           | 76,588    | 100,224      |          | 100,224    |         |
|                                             | 5615-General Administrative Salaries and Expenses               | 4,700     | 5,500        |          | 5,500      |         |
|                                             | 5620-Office Supplies and Expenses                               | 10,606    | 27,917       |          | 27,917     |         |
|                                             | 5630-Outside Services Employed                                  | 11,000    | 14,000       |          | 14,000     |         |
|                                             | 5635-Property Insurance                                         | 3,309     | 4,125        |          | 4,125      |         |
|                                             | 5645-Employee Pensions and Benefits                             | 6,802     | 8,190        |          | 8,190      |         |
|                                             | 5655-Regulatory Expenses                                        | 54,540    | 22,300       |          | 22,300     |         |
|                                             | 5670-Rent                                                       | 8,483     | 13,540       |          | 13,540     |         |
|                                             | 5680-Electrical Safety Authority Fees                           | 100       | 4,100        |          | 4,100      |         |
| 3850-Amortization Expense                   | 5705-Amortization Expense - Property, Plant, and<br>Equipment   | 55,342    | 60,751       |          | 60,751     |         |
| 3900-Interest Expense                       | 6005-Interest on Long Term Debt                                 | 11,427    |              |          | <b>_</b>   |         |

#### S1 Finalize 2011 Pro-forma Projections

|                                  |                                        | 2010    |              | 2011     |            |         |
|----------------------------------|----------------------------------------|---------|--------------|----------|------------|---------|
| Account Grouping                 | Account Description                    | Actual  | Model        | Override | Final      | Comment |
|                                  |                                        | Actual  | Projection * | Amount   | Projection |         |
|                                  | 6035-Other Interest Expense            | 7,082   |              |          |            |         |
| 4000-Income Taxes                | 6110-Income Taxes                      | 14,424  |              |          |            |         |
|                                  | 6115-Provision for Future Income Taxes | -19,358 |              |          |            |         |
| 4100-Extraordinary & Other Items | 6205-Donations                         | 2,000   |              |          |            |         |

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#### S2 Finalize 2012 Pro-forma Projections

Enter final adjustments to projected account balances for 2012 at Existing Rates

|                                |                                                                        | 2011       | 20           | 12 (existing rate | s)         |          |
|--------------------------------|------------------------------------------------------------------------|------------|--------------|-------------------|------------|----------|
| Account Grouping               | Account Description                                                    | Projection | Model        | Override          | Final      | Comment  |
|                                |                                                                        | -          | Projection * | Amount            | Projection |          |
| 1050-Current Assets            | 1005-Cash                                                              | 254,820    |              | 127,255           | 127,255    |          |
|                                | 1100-Customer Accounts Receivable                                      | 200,000    |              | 200,000           | 200,000    |          |
|                                | 1110-Other Accounts Receivable                                         | 47,000     |              | 47,000            | 47,000     |          |
|                                | 1130-Accumulated Provision for Uncollectible Accounts                  | -18,000    |              | -22,000           | -22,000    |          |
|                                | Credit<br>1100 Desperante                                              | 212,000    |              | 162,000           | 162,000    |          |
| 1200-Other Assets and Deferred | 1180-Prepayments                                                       | 212,000    |              | 162,000           | 162,000    |          |
| Charges                        | 1508-Other Reg Assets-OEB Cost Assessments                             | 674        | 674          |                   | 674        |          |
|                                | 1550-LV Variance Account                                               | -44,875    | -44,875      |                   | -44,875    |          |
|                                | 1555-Smart Meters Capital Variance Account                             | -52,155    | -52,155      |                   | -52,155    |          |
|                                | 1556-Smart Meters OM&A Variance Account                                | 0          | 0            |                   | 0          |          |
|                                | 1562-Deferred Payments in Lieu of Taxes                                | -13,152    | -13,152      |                   | -13,152    |          |
|                                | 1563-Account 1563 - Deferred PILs Contra Account                       | 13,152     | 13,152       |                   | 13,152     |          |
|                                | 1565-Conservation and Demand Management Expenditures<br>and Recoveries | 3,027      | 3,027        |                   | 3,027      |          |
|                                | 1566-CDM Contra Account                                                | -3,027     | -3,027       |                   | -3,027     |          |
|                                | 1580-RSVAWMS                                                           | -42,073    | -42,073      |                   | -42,073    |          |
|                                | 1584-RSVANW                                                            | -28,861    | -28,861      |                   | -28,861    |          |
|                                | 1586-RSVACN                                                            | -22,786    | -22,786      |                   | -22,786    |          |
|                                | 1588-RSVAPOWER Main Account                                            | -25,663    | -25,663      |                   | -25,663    |          |
|                                | 1589-1588 Global Adjustment sub-account                                | 33,503     | 33,503       |                   | 33,503     |          |
|                                | 1590-Recovery of Regulatory Asset Balances                             | -1         | -1           |                   | -1         |          |
|                                | 1592-2006 PILs/Taxes Variance                                          | 30,188     | 30,188       |                   | 30,188     |          |
| 1450-Distribution Plant        | 1810-Leasehold Improvements                                            | 16,029     | 16,029       |                   | 16,029     |          |
|                                | 1830-Poles, Towers and Fixtures                                        | 285,874    | 300,874      |                   | 300,874    | ·        |
|                                | 1835-Overhead Conductors and Devices                                   | 304,765    | 327,765      |                   | 327,765    |          |
|                                | 1840-Underground Conduit                                               | 13,405     | 13,405       |                   | 13,405     |          |
|                                | 1845-Underground Conductors and Devices                                | 93,348     | 93,348       |                   | 93,348     |          |
|                                | 1850-Line Transformers                                                 | 109,546    | 114,546      |                   | 114,546    |          |
|                                | 1855-Services                                                          | 69,982     | 69,982       |                   | 69,982     |          |
|                                | 1860-Meters                                                            | 225,428    | 195,667      |                   | 195,667    | <u> </u> |

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#### S2 Finalize 2012 Pro-forma Projections

Enter final adjustments to projected account balances for 2012 at Existing Rates

|                                               |                                                                                      | 2011       | 20           | 12 (existing rate | es)        |         |
|-----------------------------------------------|--------------------------------------------------------------------------------------|------------|--------------|-------------------|------------|---------|
| Account Grouping                              | Account Description                                                                  | Projection | Model        | Override          | Final      | Comment |
|                                               |                                                                                      | Projection | Projection * | Amount            | Projection |         |
| 1500-General Plant                            | 1915-Office Furniture and Equipment                                                  | 10,631     | 11,631       |                   | 11,631     |         |
|                                               | 1920-Computer Equipment - Hardware                                                   | 42,045     | 45,045       |                   | 45,045     |         |
|                                               | 1925-Computer Software                                                               | 103,336    | 142,097      |                   | 142,097    |         |
| 1550-Other Capital Assets                     | 1995-Contributions and Grants - Credit                                               | -148,262   | -148,262     |                   | -148,262   |         |
| 1600-Accumulated Amortization                 | 2105-Accum. Amortization of Electric Utility Plant - Property,<br>Plant, & Equipment | -479,107   | -555,810     |                   | -555,810   |         |
| 1650-Current Liabilities                      | 2205-Accounts Payable                                                                | -144,909   |              | -154,373          | -154,373   |         |
|                                               | 2208-Customer Credit Balances                                                        | -220,000   |              | -220,000          | -220,000   |         |
|                                               | 2210-Current Portion of Customer Deposits                                            | -25,000    |              | -25,000           | -25,000    |         |
|                                               | 2220-Miscellaneous Current and Accrued Liabilities                                   | -20,000    |              | -20,000           |            |         |
|                                               | 2296-Future Income Taxes - Current                                                   | 13,000     |              | 13,000            |            |         |
| 1700-Non-Current Liabilities                  | 2335-Long Term Customer Deposits                                                     | -13,000    |              | -13,000           |            |         |
| 1800-Long-Term Debt                           | 2520-Other Long Term Debt                                                            | -151,282   |              | -116,482          |            |         |
| 1850-Shareholders' Equity                     | 3005-Common Shares Issued                                                            | -308,735   |              | -308,735          |            |         |
|                                               | 3045-Unappropriated Retained Earnings                                                | -396,677   | -320,864     |                   | -320,864   |         |
|                                               | 3046-Balance Transferred From Income                                                 | 75,813     | 176,933      |                   | 176,933    |         |
| 3000-Sales of Electricity                     | 4006-Residential Energy Sales                                                        | -1,047,309 | -1,087,878   |                   | -1,087,878 |         |
|                                               | 4035-General Energy Sales                                                            | -694,385   | -721,337     |                   | -721,337   |         |
|                                               | 4062-Billed WMS                                                                      | -169,832   | -169,500     |                   | -169,500   |         |
|                                               | 4066-Billed NW                                                                       | -142,937   | -134,394     |                   | -134,394   |         |
|                                               | 4068-Billed CN                                                                       | -116,264   | -110,292     |                   | -110,292   |         |
|                                               | 4075-Billed-LV                                                                       | -101,512   | -101,313     |                   | -101,313   |         |
| 3050-Revenues From Services -<br>Distribution | 4080-Distribution Services Revenue                                                   | -316,765   | -317,964     |                   | -317,964   |         |
|                                               | 4084-Service Transaction Requests (STR) Revenues                                     | -75        | -75          |                   | -75        |         |
| 3100-Other Operating Revenues                 | 4210-Rent from Electric Property                                                     | -6,413     | -6,413       |                   | -6,413     |         |
|                                               | 4225-Late Payment Charges                                                            | -6,120     | -6,120       |                   | -6,120     |         |
|                                               | 4235-Miscellaneous Service Revenues                                                  | -4,032     | -4,032       |                   | -4,032     |         |
| 3350-Power Supply Expenses                    | 4705-Power Purchased                                                                 | 1,741,695  | 1,809,214    |                   | 1,809,214  |         |
|                                               | 4708-Charges-WMS                                                                     | 135,866    | 135,600      |                   | 135,600    |         |
|                                               | 4714-Charges-NW                                                                      | 142,937    | 134,394      |                   | 134,394    |         |
|                                               | 4716-Charges-CN                                                                      | 116,264    | 110,292      |                   | 110,292    |         |
|                                               | 4730-Rural Rate Assistance Expense                                                   | 33,966     | 33,900       |                   | 33,900     |         |
|                                               | 4750-Charges-LV                                                                      | 101,512    | 101,313      |                   | 101,313    |         |
| 3500-Distribution Expenses -<br>Operation     | 5010-Load Dispatching                                                                | 9,000      | 9,000        |                   | 9,000      |         |
|                                               | 5020-Overhead Distribution Lines and Feeders - Operation<br>Labour                   | 1,500      | 2,050        |                   | 2,050      |         |
|                                               | 5035-Overhead Distribution Transformers- Operation                                   | 1,725      | 1,725        |                   | 1,725      |         |
|                                               | 5065-Meter Expense                                                                   |            | 16,768       |                   | 16,768     |         |

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#### S2 Finalize 2012 Pro-forma Projections

Enter final adjustments to projected account balances for 2012 at Existing Rates

|                                             |                                                               | 2011                     | 2012 (existing rates) |                    |                          |         |
|---------------------------------------------|---------------------------------------------------------------|--------------------------|-----------------------|--------------------|--------------------------|---------|
| Account Grouping                            | Account Description                                           | Projection               | Model<br>Projection * | Override<br>Amount | Final<br>Projection      | Comment |
| 3550-Distribution Expenses -<br>Maintenance | 5125-Maintenance of Overhead Conductors and Devices           | 1,025                    | 1,025                 |                    | 1,025                    |         |
|                                             | 5135-Overhead Distribution Lines and Feeders - Right of Way   | 1,025                    | 1,025                 |                    | 1,025                    |         |
| 3650-Billing and Collecting                 | 5315-Customer Billing<br>5335-Bad Debt Expense                | <u>109,596</u><br>12,000 |                       |                    | <u>115,734</u><br>12,000 |         |
| 3700-Community Relations                    | 5410-Community Relations - Sundry                             | 700                      |                       |                    | 717                      |         |
| 3800-Administrative and General Expenses    | 5605-Executive Salaries and Expenses                          | 12,000                   | 12,300                |                    | 12,300                   |         |
|                                             | 5610-Management Salaries and Expenses                         | 100,224                  | 102,760               |                    | 102,760                  |         |
|                                             | 5615-General Administrative Salaries and Expenses             | 5,500                    | 6,000                 |                    | 6,000                    |         |
|                                             | 5620-Office Supplies and Expenses                             | 27,917                   | 29,755                |                    | 29,755                   |         |
|                                             | 5630-Outside Services Employed                                | 14,000                   | 14,775                |                    | 14,775                   |         |
|                                             | 5635-Property Insurance                                       | 4,125                    | 4,228                 |                    | 4,228                    |         |
|                                             | 5645-Employee Pensions and Benefits                           | 8,190                    | 9,517                 |                    | 9,517                    |         |
|                                             | 5655-Regulatory Expenses                                      | 22,300                   | 77,375                |                    | 77,375                   |         |
|                                             | 5670-Rent                                                     | 13,540                   | 13,878                |                    | 13,878                   |         |
|                                             | 5680-Electrical Safety Authority Fees                         | 4,100                    | 4,202                 |                    | 4,202                    |         |
| 3850-Amortization Expense                   | 5705-Amortization Expense - Property, Plant, and<br>Equipment | 60,751                   | 76,703                |                    | 76,703                   |         |

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 1 Tab 3 Schedule 5 Page 1 of 1

## 1 **Prospectus and Recent Debt/Share issuance update**

2

3 Hydro 2000 has not issued any shares since its cost of service application for 20084 rates.

5

6 The utility's outstanding debt is disclosed in Exhibit 5, Tab 1, Schedule 2, Attachment 1.

7 Hydro 2000 has no plan to assume any other debt at this time.

8

9 Hydro 2000 does not have a prospectus, nor does it plan to prepare one.

10

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 1 Tab 4

Exhibit 1: Administrative Documents

# Tab 4 (of 4): Materiality Threshold

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## Materiality threshold

1

2

Hydro 2000's annual revenue requirement is well below \$10 million. In accordance with
section 2.2.4 of the Board's filing requirements; a materiality threshold of \$50,000
applies throughout this application.

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 2

# Exhibit 2:

**Rate Base** 

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 2 Tab 1

Exhibit 2: Rate Base

# Tab 1 (of 6): RateBase Overview

## Table 2.1.1 Rate Base Trend Table

| ]                                        | 2008 EDR  | 2008      | 2009      | 2010      | 2011       | 2012       |
|------------------------------------------|-----------|-----------|-----------|-----------|------------|------------|
|                                          | Approved  | Actual    | Actual    | Actual    | Projection | Projection |
| Net Capital Assets in Service:           |           |           |           |           |            |            |
| Opening Balance                          | 320,509   | 460,613   | 411,906   | 439,051   | 446,419    | 448,359    |
| Ending Balance                           | 460,613   | 411,906   | 439,051   | 446,419   | 448,359    | 650,714    |
| Average Balance                          | 390,561   | 436,259   | 425,478   | 442,735   | 447,389    | 549,537    |
| Working Capital Allowance (see below)    | 344,514   | 334,954   | 353,663   | 288,865   | 393,106    | 413,932    |
| Total Rate Base                          | 735,075   | 771,214   | 779,141   | 731,600   | 840,495    | 963,469    |
| Expenses for Working Capital             |           |           |           |           |            |            |
| Eligible Distribution Expenses:          |           |           |           |           |            |            |
| 3500-Distribution Expenses - Operation   | 738       | 463       | 10,097    | 878       | 12,225     | 29,543     |
| 3550-Distribution Expenses - Maintenance | 5,717     | 8,876     | 9,184     | 4,446     | 2,050      | 2,050      |
| 3650-Billing and Collecting              | 94,565    | 89,470    | 94,140    | 102,373   | 121,596    | 127,734    |
| 3700-Community Relations                 |           |           |           |           | 700        | 717        |
| 3800-Administrative and General Expenses | 161,631   | 145,394   | 154,422   | 189,529   | 211,896    | 274,790    |
| 3950-Taxes Other Than Income Taxes       |           |           |           |           |            |            |
| Total Eligible Distribution Expenses     | 262,651   | 244,203   | 267,844   | 297,226   | 348,467    | 434,834    |
| 3350-Power Supply Expenses               | 2,034,110 | 1,988,826 | 2,089,909 | 1,628,541 | 2,272,240  | 2,324,713  |
| Total Expenses for Working Capital       | 2,296,761 | 2,233,029 | 2,357,753 | 1,925,767 | 2,620,707  | 2,759,547  |
| Working Capital factor                   | 15.0%     | 15.0%     | 15.0%     | 15.0%     | 15.0%      | 15.0%      |
| Working Capital Allowance                | 344,514   | 334,954   | 353,663   | 288,865   | 393,106    | 413,932    |

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 2 Tab 1 Schedule 1 Page 1 of 2

## Rate Base Overview

#### 2 Definition of Rate Base

3 Rate base is defined as the net fixed assets at year-end plus a working capital 4 allowance. The working capital allowance included in the rate base is 15% of the sum of 5 the cost of power and controllable expenses. Controllable expenses are defined as the 6 sum of Operations and Maintenance, Billing and Collection, and Administration 7 expenses.

#### 8 Company Specifics

9 Hydro 2000's proposed rate base for 2012 is in the amount of \$963,469

10 The Rate Base trend table presented in the previous schedule (Table 2.1.1) shows the

11 trend in Hydro 2000's rate base, which has increased from \$735,075 in its 2008 Cost of

12 Service to \$963,468 in this application.

Hydro 2000's Rate Base remained relatively steady between 2008 and 2010. In fact, the
Rate Base for 2010 was slightly lower than the 2008 Board Approved.

15 In 2011, the Rate Base increase by 15% or 108K in comparison with 2010's Rate Base.

16 The main reason behind this increase is a rise in the utility's working capital allowance,

17 which is primarily due to the increase in OM&A. Details of the rise in OM&A are

18 presented at Exhibit 4.

19 Details of the utility's Working Capital Allowance is presented at Exhibit 2, Tab 5.

Hydro 2000's Rate Base is projected to increase by another 15% or 122K in 2012. The
primary reason for this increase is the inclusion of Smart Meter Related Capital
Expenditures into 2012's Rate Base. Further details on the topic of Smart Meters are
presented at Exhibit 9 Tab 3.

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 2 Tab 1 Schedule 1 Page 2 of 2

- 1 The balance of the change reflects growth in Net Fixed Assets, mainly due to regular
- 2 maintenance to its distribution system. Investments are described at Exhibit 2, Tab 4,
- 3 Schedule 1. Detailed variances of each account are explained in greater detail in Tab 3.

# Hydro 2000 (ED-2002-0542)

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## Table 2.1.2 Rate Base Variance

|                                       |            | Variances > 10% ( | min \$2,000) or \$2,917 a | re shown in bold |
|---------------------------------------|------------|-------------------|---------------------------|------------------|
|                                       | 2012       | 2011              | Manf                      | Man 9/           |
|                                       | Projection | Projection        | Var \$                    | Var %            |
| Net Capital Assets in Service:        |            |                   |                           |                  |
| Opening Balance                       | 448,359    | 446,419           | 1,940                     | 0.4%             |
| Ending Balance                        | 650,714    | 448,359           | 202,355                   | 45.1%            |
| Average Balance                       | 549,537    | 447,389           | 102,148                   | 22.8%            |
| Working Capital Allowance (see below) | 413,932    | 393,106           | 20,826                    | 5.3%             |
| Total Rate Base                       | 963,469    | 840,495           | 122,974                   | 14.6%            |

| Eligible Distribution Expenses:          |           |           |         |        |  |
|------------------------------------------|-----------|-----------|---------|--------|--|
| 3500-Distribution Expenses - Operation   | 29,543    | 12,225    | 17,318  | 141.7% |  |
| 3550-Distribution Expenses - Maintenance | 2,050     | 2,050     |         |        |  |
| 3650-Billing and Collecting              | 127,734   | 121,596   | 6,138   | 5.0%   |  |
| 3700-Community Relations                 | 717       | 700       | 17      | 2.4%   |  |
| 3800-Administrative and General Expenses | 274,790   | 211,896   | 62,894  | 29.7%  |  |
| 3950-Taxes Other Than Income Taxes       |           |           |         |        |  |
| Total Eligible Distribution Expenses     | 434,834   | 348,467   | 86,367  | 24.8%  |  |
| 3350-Power Supply Expenses               | 2,324,713 | 2,272,240 | 52,473  | 2.3%   |  |
| Total Expenses for Working Capital       | 2,759,547 | 2,620,707 | 138,840 | 5.3%   |  |
| Working Capital factor                   | 15.0%     | 15.0%     |         |        |  |
| Working Capital Allowance                | 413,932   | 393,106   | 20,826  | 5.3%   |  |

## Hydro 2000 (ED-2002-0542) 2012 EDR Application (EB-2011-0326) versi

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## Table 2.1.2 Rate Base Variance

|                                       | Variances > 10% (min \$2,000) or \$2,917 are shown in bold |         |         |        |  |  |
|---------------------------------------|------------------------------------------------------------|---------|---------|--------|--|--|
|                                       | 2011                                                       | 2010    | Vont    | Man 9/ |  |  |
|                                       | Projection                                                 | Actual  | Var \$  | Var %  |  |  |
| Net Capital Assets in Service:        |                                                            |         |         |        |  |  |
| Opening Balance                       | 446,419                                                    | 439,051 | 7,368   | 1.7%   |  |  |
| Ending Balance                        | 448,359                                                    | 446,419 | 1,940   | 0.4%   |  |  |
| Average Balance                       | 447,389                                                    | 442,735 | 4,654   | 1.1%   |  |  |
| Working Capital Allowance (see below) | 393,106                                                    | 288,865 | 104,241 | 36.1%  |  |  |
| Total Rate Base                       | 840,495                                                    | 731,600 | 108,895 | 14.9%  |  |  |

| Eligible Distribution Expenses:          |           |           |         |         |  |
|------------------------------------------|-----------|-----------|---------|---------|--|
| 3500-Distribution Expenses - Operation   | 12,225    | 878       | 11,347  | 1292.4% |  |
| 3550-Distribution Expenses - Maintenance | 2,050     | 4,446     | -2,396  | (53.9%) |  |
| 3650-Billing and Collecting              | 121,596   | 102,373   | 19,223  | 18.8%   |  |
| 3700-Community Relations                 | 700       |           | 700     |         |  |
| 3800-Administrative and General Expenses | 211,896   | 189,529   | 22,367  | 11.8%   |  |
| 3950-Taxes Other Than Income Taxes       |           |           |         |         |  |
| Total Eligible Distribution Expenses     | 348,467   | 297,226   | 51,241  | 17.2%   |  |
| 3350-Power Supply Expenses               | 2,272,240 | 1,628,541 | 643,699 | 39.5%   |  |
| Total Expenses for Working Capital       | 2,620,707 | 1,925,767 | 694,940 | 36.1%   |  |
| Working Capital factor                   | 15.0%     | 15.0%     |         |         |  |
| Working Capital Allowance                | 393,106   | 288,865   | 104,241 | 36.1%   |  |

## Hydro 2000 (ED-2002-0542) 2012 EDR Application (EB-2011-0326) versit

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## Table 2.1.2 Rate Base Variance

|                                       |         | Variances > 10% (min \$2,000) or \$2,917 are shown in bold |         |         |  |  |  |
|---------------------------------------|---------|------------------------------------------------------------|---------|---------|--|--|--|
|                                       | 2010    | 2009                                                       | Mant    | Var %   |  |  |  |
|                                       | Actual  | Actual                                                     | Var \$  |         |  |  |  |
| Net Capital Assets in Service:        |         |                                                            |         |         |  |  |  |
| Opening Balance                       | 439,051 | 411,906                                                    | 27,145  | 6.6%    |  |  |  |
| Ending Balance                        | 446,419 | 439,051                                                    | 7,368   | 1.7%    |  |  |  |
| Average Balance                       | 442,735 | 425,478                                                    | 17,257  | 4.1%    |  |  |  |
| Working Capital Allowance (see below) | 288,865 | 353,663                                                    | -64,798 | (18.3%) |  |  |  |
| Total Rate Base                       | 731,600 | 779,141                                                    | -47,541 | (6.1%)  |  |  |  |

| Eligible Distribution Expenses:          |           |           |          |         |  |
|------------------------------------------|-----------|-----------|----------|---------|--|
| 3500-Distribution Expenses - Operation   | 878       | 10,097    | -9,219   | (91.3%) |  |
| 3550-Distribution Expenses - Maintenance | 4,446     | 9,184     | -4,739   | (51.6%) |  |
| 3650-Billing and Collecting              | 102,373   | 94,140    | 8,233    | 8.7%    |  |
| 3700-Community Relations                 |           |           |          |         |  |
| 3800-Administrative and General Expenses | 189,529   | 154,422   | 35,106   | 22.7%   |  |
| 3950-Taxes Other Than Income Taxes       |           |           |          |         |  |
| Total Eligible Distribution Expenses     | 297,226   | 267,844   | 29,382   | 11.0%   |  |
| 3350-Power Supply Expenses               | 1,628,541 | 2,089,909 | -461,368 | (22.1%) |  |
| Total Expenses for Working Capital       | 1,925,767 | 2,357,753 | -431,986 | (18.3%) |  |
| Working Capital factor                   | 15.0%     | 15.0%     |          |         |  |
| Working Capital Allowance                | 288,865   | 353,663   | -64,798  | (18.3%) |  |

## Hydro 2000 (ED-2002-0542) 2012 EDR Application (EB-2011-0326) versit

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## Table 2.1.2 Rate Base Variance

|                                       | Variances > 10% (min \$2,000) or \$2,917 are shown in bol |         |         |         |  |
|---------------------------------------|-----------------------------------------------------------|---------|---------|---------|--|
|                                       | 2009                                                      | 2008    | Verf    | Mar 9/  |  |
|                                       | Actual                                                    | Actual  | Var \$  | Var %   |  |
| Net Capital Assets in Service:        |                                                           |         |         |         |  |
| Opening Balance                       | 411,906                                                   | 460,613 | -48,707 | (10.6%) |  |
| Ending Balance                        | 439,051                                                   | 411,906 | 27,145  | 6.6%    |  |
| Average Balance                       | 425,478                                                   | 436,259 | -10,781 | (2.5%)  |  |
| Working Capital Allowance (see below) | 353,663                                                   | 334,954 | 18,709  | 5.6%    |  |
| Total Rate Base                       | 779,141                                                   | 771,214 | 7,927   | 1.0%    |  |

| Eligible Distribution Expenses:          |           |           |         |         |  |
|------------------------------------------|-----------|-----------|---------|---------|--|
| 3500-Distribution Expenses - Operation   | 10,097    | 463       | 9,634   | 2080.8% |  |
| 3550-Distribution Expenses - Maintenance | 9,184     | 8,876     | 308     | 3.5%    |  |
| 3650-Billing and Collecting              | 94,140    | 89,470    | 4,670   | 5.2%    |  |
| 3700-Community Relations                 |           |           |         |         |  |
| 3800-Administrative and General Expenses | 154,422   | 145,394   | 9,029   | 6.2%    |  |
| 3950-Taxes Other Than Income Taxes       |           |           |         |         |  |
| Total Eligible Distribution Expenses     | 267,844   | 244,203   | 23,641  | 9.7%    |  |
| 3350-Power Supply Expenses               | 2,089,909 | 1,988,826 | 101,083 | 5.1%    |  |
| Total Expenses for Working Capital       | 2,357,753 | 2,233,029 | 124,724 | 5.6%    |  |
| Working Capital factor                   | 15.0%     | 15.0%     |         |         |  |
| Working Capital Allowance                | 353,663   | 334,954   | 18,709  | 5.6%    |  |

## Hydro 2000 (ED-2002-0542) 2012 EDR Application (EB-2011-0326) versit

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## Table 2.1.2 Rate Base Variance

|                                       |         | Variances > 10% (min \$2,000) or \$2,917 are shown in bold |         |         |  |  |  |
|---------------------------------------|---------|------------------------------------------------------------|---------|---------|--|--|--|
|                                       | 2008    | 2008 EDR                                                   | Var \$  | Var %   |  |  |  |
|                                       | Actual  | Approved                                                   | var ş   | var 70  |  |  |  |
| Net Capital Assets in Service:        |         |                                                            |         |         |  |  |  |
| Opening Balance                       | 460,613 | 320,509                                                    | 140,104 | 43.7%   |  |  |  |
| Ending Balance                        | 411,906 | 460,613                                                    | -48,707 | (10.6%) |  |  |  |
| Average Balance                       | 436,259 | 390,561                                                    | 45,698  | 11.7%   |  |  |  |
| Working Capital Allowance (see below) | 334,954 | 344,514                                                    | -9,560  | (2.8%)  |  |  |  |
| Total Rate Base                       | 771,214 | 735,075                                                    | 36,139  | 4.9%    |  |  |  |

| Eligible Distribution Expenses:          |           |           |         |         |  |
|------------------------------------------|-----------|-----------|---------|---------|--|
| 3500-Distribution Expenses - Operation   | 463       | 738       | -275    | (37.3%) |  |
| 3550-Distribution Expenses - Maintenance | 8,876     | 5,717     | 3,159   | 55.3%   |  |
| 3650-Billing and Collecting              | 89,470    | 94,565    | -5,095  | (5.4%)  |  |
| 3700-Community Relations                 |           |           |         |         |  |
| 3800-Administrative and General Expenses | 145,394   | 161,631   | -16,237 | (10.0%) |  |
| 3950-Taxes Other Than Income Taxes       |           |           |         |         |  |
| Total Eligible Distribution Expenses     | 244,203   | 262,651   | -18,448 | (7.0%)  |  |
| 3350-Power Supply Expenses               | 1,988,826 | 2,034,110 | -45,284 | (2.2%)  |  |
| Total Expenses for Working Capital       | 2,233,029 | 2,296,761 | -63,732 | (2.8%)  |  |
| Working Capital factor                   | 15.0%     | 15.0%     |         |         |  |
| Working Capital Allowance                | 334,954   | 344,514   | -9,560  | (2.8%)  |  |

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## Rate Base Variance Table

The Rate Base variance table presented in the previous schedule (Table 2.1.2) shows
year over year variances in Hydro 2000's Rate Base.

5

1

2

6 Variances in Fixed Asset balances are described in Exhibit 2 Tab 3 Schedule 1.
7 Variances in the Working Capital Allowance are described in Exhibit 2 Tab 5 Schedule 1.

#### 8 2012 Test Year vs. 2011 Bridge Year

9 The projected rate base in 2012 of \$963,469 is \$123K higher than in 2011. \$20K of the 10 difference is due to higher Working Capital Allowance which in turn is due to higher 11 OM&A. Details of OM&A can be found at Exhibit 4.The bulk of the increase (102K) is 12 due to the inclusion of Smart Meter Related Assets in the amount of 223,058 into the 13 utility's Rate Base. Details of Smart Meters can be found at Exhibit 9, Tab 5.

#### 14 2011 Bridge Year vs. 2010 Actual

The projected rate base in 2011 of \$840,485 is \$109K higher than in 2010. \$104K of the
difference is due to higher Working Capital Allowance which in due to higher OM&A.
Details of OM&A can be found at Exhibit 4.

#### 18 2010 Test Year vs. 2009 Actual

The rate base in 2010 of \$731,600 was \$48K lower than 2009. The increase of \$17K in Average Fixed Asset was offset by a reduction of 65K in Working Capital Allowance. The investment in capital assets reflects maintenance in poles/towers and computer software while the utility's Working Capital Allowance was reduced due to a decrease in OM&A in that particular year. Details of OM&A can be found at Exhibit 4

24

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#### 1 2009 Actual Year vs. 2008 Actual

- 2 The rate base in 2009 of \$779,141 was \$8K higher than the 2008 Actual. \$19K of the
- 3 difference arose from a higher Working Capital Allowance. The increase in WCA was
- 4 offset by a decrease of 11K in the utility's Average Net Fixed Assets.

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Exhibit 2: Rate Base

# Tab 2 (of 6): Capital Asset Policies

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## **Capitalization Policy**

1 2

Hydro 2000 does not maintain a formal policy on capitalization. Hydro 2000's approach
to capitalization can be summarized as follows:

5

Hydro 2000 capitalizes spending in fixed assets in accordance with the
 applicable criteria defined by Canadian Generally Accepted Accounting
 Principles.

9 Direct labour is capitalized based on an hourly rate which reflects its fully
10 burdened cost.

11 • No additional amounts for indirect overheads are capitalized.

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## Asset Retirement Policy

1 2

Hydro 2000 generally retires capital assets from its balance sheet when these assets are
no longer in service. There is one exception in this rate application, for legacy meters
that will be removed from service with the deployment of smart meters. In accordance
with Board policy, these assets have been removed from rate base. Hydro 2000 seeks
approval of its disposition of Hydro 2000's stranded costs for legacy meters. Details can
be found at Exhibit 9.

9

Hydro 2000's assets are primarily related to overhead/underground poles and its
supporting devices as well as office related equipment. Hydro 2000 does not own
service vehicles. It employs an external contractor to maintain its distribution system.

13

14 Hydro 2000 has no Asset Retirement Obligations at this time.

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## **Depreciation Policy**

- 1
- 2

Hydro 2000 depreciates capital assets based on the estimated average useful lives of its
assets. The estimated average useful lives of various asset categories are consistent

- 5 with Board policy.
- 6

7 For both financial reporting purposes and rate making purposes, Hydro 2000 applies the

8 half-year rule for depreciation. This has been done so since the previous cost of service

9 application.

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## Capital Contribution Policy

1 2

To date, Hydro 2000 has maintained a legacy practice of recovering incremental costs
for system expansions through economic evaluation.

5

The economic evaluation model, developed by the EDA, uses costs provided by Hydro
2000, estimates the revenues based on service charges and calculates developer
contribution. Capital Contributions are collected in accordance with the Distribution
System Code and Hydro 2000's Conditions of Service.

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Exhibit 2: Rate Base

# Tab 3 (of 6): Fixed Assets

#### Table 2.3.1 Gross Asset

Review highlighted variances (no input on this sheet)

| Account Grouping          | Account Grouping Account Description    |                | 2011       | 2010     | 2009     | 2008     | 2008 EDR |
|---------------------------|-----------------------------------------|----------------|------------|----------|----------|----------|----------|
| Account Grouping          | Account Description                     | existing rates | Projection | Actual   | Actual   | Actual   | Approved |
| 1450-Distribution Plant   | 1810-Leasehold Improvements             | 16,029         | 16,029     |          |          |          |          |
|                           | 1830-Poles, Towers and Fixtures         | 300,874        | 285,874    | 271,450  | 262,611  | 218,154  | 194,996  |
|                           | 1835-Overhead Conductors and Devices    | 327,765        | 304,765    | 284,925  | 259,038  | 248,219  | 219,684  |
|                           | 1840-Underground Conduit                | 13,405         | 13,405     | 13,405   | 13,405   | 13,405   | 13,405   |
|                           | 1845-Underground Conductors and Devices | 93,348         | 93,348     | 93,348   | 93,128   | 73,219   | 127,183  |
|                           | 1850-Line Transformers                  | 114,546        | 109,546    | 104,546  | 98,118   | 80,634   | 76,694   |
|                           | 1855-Services                           | 69,982         | 69,982     | 69,709   | 66,474   | 57,867   | 52,400   |
|                           | 1860-Meters                             | 195,667        | 225,428    | 55,833   | 53,684   | 49,068   | 48,889   |
| 1500-General Plant        | 1915-Office Furniture and Equipment     | 11,631         | 10,631     | 4,620    | 4,158    | 3,861    | 3,246    |
|                           | 1920-Computer Equipment - Hardware      | 45,045         | 42,045     | 38,311   | 31,178   | 30,128   | 24,819   |
|                           | 1925-Computer Software                  | 142,097        | 103,336    | 87,935   | 72,069   | 70,023   | 80,598   |
| 1550-Other Capital Assets | 1995-Contributions and Grants - Credit  | -148,262       | -148,262   | -148,262 | -140,754 | -110,995 | -107,165 |
| Total                     |                                         | 1,182,126      | 1,126,127  | 875,819  | 813,110  | 733,583  | 734,749  |

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#### Gross Assets Overview Table

3 The Gross Asset variance table presented in the previous schedule (Table 2.3.1) depicts 4 Hydro 2000's trend in Gross Assets, which has increased from \$735,075.00 in the 2008 5 Cost of Service to \$1,082,126 in this application. Without Smart Meter Capital related 6 Assets which were transferred out of 1555-Smart meters Capital Variance Account, this 7 represents an average increase per year of 45K. The increase from its 2008 Cost of 8 Service arose mainly from an obligation to replace aging poles and devices on a yearly 9 basis. The entire overhead distribution system is subject to ESA inspection every year 10 while the entire underground distribution system is inspected every 3 years. Hydro 2000 11 normally budgets for approximately 5 pole replacements per year as well as 1 12 transformer. Results of the inspection aid the utility in forecasting system 13 maintenance/betterment for a 5 year span.

14

1

2

Hydro 2000 invested in new office equipment when it moved to its new location. Hydro 2000's previous offices were approximately 400square feet. With the increasing regulatory demands of CDM, Smart Meter training and IESO compliance, Hydro 2000 needed extra office space to accommodate its new part-time employee. A multi-use conference room was also required to accommodate external consultants, webinars and Board of Director meetings. The new office is approximately 1200 square feet.

21

In addition, Hydro 2000 upgraded its computer software and hardware when it was
forced to convert from Advanced CIS to Harris Northstar CIS and billing system.

24

25 Year over year variances are explained in greater detail in Schedule 2.

26

27 Details of the increase of 223,058 in 2012 due to the transfer of Smart Meter related

28 Capital Assets from account 1555 are discussed in detail at Exhibit 9, Tab 3.

## Table 2.3.2 Gross Asset Variance Table

Review highlighted variances (no input on this sheet)

|                           |                                         |                | Variances > 1 | 0% (min \$2,000) or \$2,917 | are shown in bold |
|---------------------------|-----------------------------------------|----------------|---------------|-----------------------------|-------------------|
| Account Grouping          | Account Description                     | 2012 @         | 2011          | Var \$                      | Var %             |
|                           |                                         | existing rates | Projection    | tui t                       | rai //            |
| 1450-Distribution Plant   | 1810-Leasehold Improvements             | 16,029         | 16,029        |                             |                   |
|                           | 1830-Poles, Towers and Fixtures         | 300,874        | 285,874       | 15,000                      | 5.2%              |
|                           | 1835-Overhead Conductors and Devices    | 327,765        | 304,765       | 23,000                      | 7.5%              |
|                           | 1840-Underground Conduit                | 13,405         | 13,405        |                             |                   |
|                           | 1845-Underground Conductors and Devices | 93,348         | 93,348        |                             |                   |
|                           | 1850-Line Transformers                  | 114,546        | 109,546       | 5,000                       | 4.6%              |
|                           | 1855-Services                           | 69,982         | 69,982        |                             |                   |
|                           | 1860-Meters                             | 195,667        | 225,428       | -29,761                     | (13.2%)           |
| 1500-General Plant        | 1915-Office Furniture and Equipment     | 11,631         | 10,631        | 1,000                       | 9.4%              |
|                           | 1920-Computer Equipment - Hardware      | 45,045         | 42,045        | 3,000                       | 7.1%              |
|                           | 1925-Computer Software                  | 142,097        | 103,336       | 38,761                      | 37.5%             |
| 1550-Other Capital Assets | 1995-Contributions and Grants - Credit  | -148,262       | -148,262      |                             |                   |
| Total                     |                                         | 1,182,126      | 1,126,127     | 56,000                      | 1                 |

## Table 2.3.2 Gross Asset Variance Table

|                                                                                   |                                        |            | Variances > <sup>•</sup> | 10% (min \$2,000) or \$2,917 | are shown in bold |
|-----------------------------------------------------------------------------------|----------------------------------------|------------|--------------------------|------------------------------|-------------------|
| Account Crouning                                                                  | Assount Description                    | 2011       | 2010                     | Vert                         | Vor %             |
| Account Grouping                                                                  | Account Description                    | Projection | Actual                   | Var \$                       | Var %             |
| 1450-Distribution Plant                                                           | 1810-Leasehold Improvements            | 16,029     |                          | 16,029                       |                   |
|                                                                                   | 1830-Poles, Towers and Fixtures        | 285,874    | 271,450                  | 14,424                       | 5.3%              |
|                                                                                   | 1835-Overhead Conductors and Devices   | 304,765    | 284,925                  | 19,840                       | 7.0%              |
|                                                                                   | 1840-Underground Conduit               | 13,405     | 13,405                   |                              |                   |
| 1845-Underground Conductors and Device<br>1850-Line Transformers<br>1855-Services |                                        | 93,348     | 93,348                   |                              |                   |
|                                                                                   |                                        | 109,546    | 104,546                  | 5,000                        | 4.8%              |
|                                                                                   |                                        | 69,982     | 69,709                   | 273                          | 0.4%              |
|                                                                                   | 1860-Meters                            | 225,428    | 55,833                   | 169,595                      | 303.8%            |
| 1500-General Plant                                                                | 1915-Office Furniture and Equipment    | 10,631     | 4,620                    | 6,011                        | 130.1%            |
|                                                                                   | 1920-Computer Equipment - Hardware     | 42,045     | 38,311                   | 3,734                        | 9.7%              |
|                                                                                   | 1925-Computer Software                 | 103,336    | 87,935                   | 15,401                       | 17.5%             |
| 1550-Other Capital Assets                                                         | 1995-Contributions and Grants - Credit | -148,262   | -148,262                 |                              |                   |
| Total                                                                             |                                        | 1,126,127  | 875,819                  | 250,307                      | 5                 |

## Table 2.3.2 Gross Asset Variance Table

|                                         |                                        |          | Variances > 10 | % (min \$2,000) or \$2,917 | are shown in bold |
|-----------------------------------------|----------------------------------------|----------|----------------|----------------------------|-------------------|
| Account Grouping                        | Account Description                    | 2010     | 2009           | Var \$                     | Var %             |
| g                                       |                                        | Actual   | Actual         |                            |                   |
| 1450-Distribution Plant                 | 1810-Leasehold Improvements            |          |                |                            |                   |
|                                         | 1830-Poles, Towers and Fixtures        | 271,450  | 262,611        | 8,839                      | 3.4%              |
|                                         | 1835-Overhead Conductors and Devices   | 284,925  | 259,038        | 25,886                     | 10.0%             |
|                                         | 1840-Underground Conduit               | 13,405   | 13,405         |                            |                   |
| 1845-Underground Conductors and Devices |                                        | 93,348   | 93,128         | 220                        | 0.2%              |
|                                         | 1850-Line Transformers                 | 104,546  | 98,118         | 6,428                      | 6.6%              |
| 1855-Services                           |                                        | 69,709   | 66,474         | 3,235                      | 4.9%              |
|                                         | 1860-Meters                            | 55,833   | 53,684         | 2,148                      | 4.0%              |
| 1500-General Plant                      | 1915-Office Furniture and Equipment    | 4,620    | 4,158          | 462                        | 11.1%             |
|                                         | 1920-Computer Equipment - Hardware     | 38,311   | 31,178         | 7,133                      | 22.9%             |
|                                         | 1925-Computer Software                 | 87,935   | 72,069         | 15,866                     | 22.0%             |
| 1550-Other Capital Assets               | 1995-Contributions and Grants - Credit | -148,262 | -140,754       | -7,508                     | (5.3%)            |
| Total                                   |                                        | 875,819  | 813,110        | 62,709                     | 1                 |

## Table 2.3.2 Gross Asset Variance Table

|                           |                                         |                | Variances > 1  | 0% (min \$2,000) or \$2,917 | are shown in bold |
|---------------------------|-----------------------------------------|----------------|----------------|-----------------------------|-------------------|
| Account Grouping          | Account Description                     | 2009<br>Actual | 2008<br>Actual | Var \$                      | Var %             |
| 1450-Distribution Plant   | 1810-Leasehold Improvements             | Actual         | Actual         |                             |                   |
|                           | 1830-Poles, Towers and Fixtures         | 262,611        | 218,154        | 44,457                      | 20.4%             |
|                           | 1835-Overhead Conductors and Devices    | 259,038        | 248,219        | 10,820                      | 4.4%              |
|                           | 1840-Underground Conduit                | 13,405         | 13,405         |                             |                   |
|                           | 1845-Underground Conductors and Devices | 93,128         | 73,219         | 19,910                      | 27.2%             |
|                           | 1850-Line Transformers                  | 98,118         | 80,634         | 17,484                      | 21.7%             |
| 1855-Services             |                                         | 66,474         | 57,867         | 8,607                       | 14.9%             |
|                           | 1860-Meters                             | 53,684         | 49,068         | 4,616                       | 9.4%              |
| 1500-General Plant        | 1915-Office Furniture and Equipment     | 4,158          | 3,861          | 297                         | 7.7%              |
|                           | 1920-Computer Equipment - Hardware      | 31,178         | 30,128         | 1,050                       | 3.5%              |
|                           | 1925-Computer Software                  | 72,069         | 70,023         | 2,045                       | 2.9%              |
| 1550-Other Capital Assets | 1995-Contributions and Grants - Credit  | -140,754       | -110,995       | -29,759                     | (26.8%)           |
| Total                     |                                         | 813,110        | 733,583        | 79,527                      | 10.8%             |

## Table 2.3.2 Gross Asset Variance Table

|                           |                                         |          | Variances > 10 | 0% (min \$2,000) or \$2,917 a | re shown in bold |
|---------------------------|-----------------------------------------|----------|----------------|-------------------------------|------------------|
| Account Grouping          | Account Description                     | 2008     | 2008 EDR       | Var \$                        | Var %            |
| Account Grouping          | Account Description                     | Actual   | Approved       | val ş                         | Val 70           |
| 1450-Distribution Plant   | 1810-Leasehold Improvements             |          |                |                               |                  |
|                           | 1830-Poles, Towers and Fixtures         | 218,154  | 194,996        | 23,158                        | 11.9%            |
|                           | 1835-Overhead Conductors and Devices    | 248,219  | 219,684        | 28,535                        | 13.0%            |
|                           | 1840-Underground Conduit                | 13,405   | 13,405         | -0                            | (0.0%)           |
|                           | 1845-Underground Conductors and Devices | 73,219   | 127,183        | -53,964                       | (42.4%)          |
|                           | 1850-Line Transformers                  | 80,634   | 76,694         | 3,940                         | 5.1%             |
|                           | 1855-Services                           | 57,867   | 52,400         | 5,467                         | 10.4%            |
|                           | 1860-Meters                             | 49,068   | 48,889         | 179                           | 0.4%             |
| 1500-General Plant        | 1915-Office Furniture and Equipment     | 3,861    | 3,246          | 615                           | 19.0%            |
|                           | 1920-Computer Equipment - Hardware      | 30,128   | 24,819         | 5,309                         | 21.4%            |
|                           | 1925-Computer Software                  | 70,023   | 80,598         | -10,575                       | (13.1%)          |
| 1550-Other Capital Assets | 1995-Contributions and Grants - Credit  | -110,995 | -107,165       | -3,830                        | (3.6%)           |
| Total                     |                                         | 733,583  | 734,749        | -1,166                        | 0                |

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## Gross Assets Variance Table

1 2

3 The previous table (2.3.2) shows the annual variances in the balances for gross capital

4 assets. The investments leading to increases in specific account balances are described

5 in Exhibit 2, Tab 4: Schedule 3.

## 6 2012 Test Year vs. 2011 Bridge Year:

7 The total projected ending balance in 2012 of \$1,182,126 is \$279K greater than 2011. 8 The increase is primarily due to the inclusion of Smart Meter related Assets into the 9 utility's Rate Base while the balance is due to material increases in *poles and fixtures* 10 and associated *overhead conductor and devices*. As a norm, Hydro 2000 budgets for the 11 replacement of 5 poles per year. Hydro 2000 is also looking to replace a defective 12 transformer at the cost of 5K.

## 13 2011 Bridge Year vs. 2010 Actual:

14 The total ending balance of \$903K in 2011 was \$27K greater than in 2010. Similarly to 15 2012 part of the reason for the increase is primarily due to material increases in *poles* 16 and fixtures and associated overhead conductor and devices. Hydro 2000's offices 17 moved to a slightly larger location and therefore purchased additional office furniture to 18 furnish the new office as well as to accommodate the part-time employee. Hydro 2000's 19 new offices needed renovations, maintenance and upgrades before they could be used. 20 Lastly, as per the minimum filling requirements, Hydro 2000 removed stranded meters 21 from account 1860 and then added Smart Meter related Capital Assets back into 1860. 22 Further details of this transaction can be found at Exhibit 2 Tab 3 Schedule 5.

## 23 2010 Actual vs. 2009 Actual:

The total ending balance of \$875K in 2010 was \$62K greater than in 2009. Similarly to 25 2012 the increase is primarily due to material increases in *poles and fixtures* and 26 associated *overhead conductor and devices*. Hydro 2000 invested in software to 27 accommodate their new CIS system.

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#### 1 **2009 Actual vs. 2008 Actual:**

The ending balance in 2009 was \$813K, \$79K greater than 2008. The increases included *Poles, Towers and Fixtures* as well as *Overhead conductors/devices* was the primary reason for this increase. Hydro 2000 also invested it upgrading and maintaining its underground distribution system (19K) Investments were required following an inspection from the ESA.

| File Number: | EB-2011-0326    |
|--------------|-----------------|
| Exhibit:     | 2               |
| Tab:         | 3               |
| Schedule:    | 4               |
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Appendix 2-B Fixed Asset Continuity Schedule

Year 1 2008

|              |      |                                          |                      |                    | Cos        | st        |                    |                    | Accumulated | Depreciation |                    |                   |
|--------------|------|------------------------------------------|----------------------|--------------------|------------|-----------|--------------------|--------------------|-------------|--------------|--------------------|-------------------|
| CCA<br>Class | OEB  | Description                              | Depreciation<br>Rate | Opening<br>Balance | Additions  | Disposals | Closing<br>Balance | Opening<br>Balance | Additions   | Disposals    | Closing<br>Balance | Net Book<br>Value |
| 47           | 1815 | Transformer Station Equipment >50 kV     |                      |                    |            |           | -                  |                    |             |              | -                  | -                 |
| 47           | 1830 | Poles, Towers & Fixtures                 | 4%                   | 199,796.68         | 18,357.75  |           | 218,154.43         | (82,600.68)        | (13,308.75) |              | (95,909.43)        | 122,245.00        |
| 47           | 1835 | Overhead Conductors & Devices            | 4%                   | 236,965.79         | 11,252.95  |           | 248,218.74         | (80,181.79)        | (14,654.95) |              | (94,836.74)        | 153,382.00        |
| 47           | 1840 | Underground Conduit                      | 4%                   | 13,404.71          | -          |           | 13,404.71          | (1,071.71)         | (536.00)    |              | (1,607.71)         | 11,797.00         |
| 47           | 1845 | Underground Conductors & Devices         | 4%                   | 72,301.02          | 917.50     |           | 73,218.52          | (25,112.02)        | (4,110.50)  |              | (29,222.52)        | 43,996.00         |
| 47           | 1850 | Line Transformers                        | 4%                   | 76,743.00          | 3,891.00   |           | 80,634.00          | (26,882.00)        | (4,740.00)  |              | (31,622.00)        | 49,012.00         |
| 47           | 1855 | Services (Overhead & Underground)        | 4%                   | 54,001.56          | 3,865.50   |           | 57,867.06          | (4,224.56)         | (2,236.50)  |              | (6,461.06)         | 51,406.00         |
| 47           | 1860 | Meters                                   | 4%                   | 48,938.77          | 129.60     |           | 49,068.37          | (24,397.77)        | (3,587.60)  |              | (27,985.37)        | 21,083.00         |
| 47           | 1860 | Meters (Smart Meters)                    | 7%                   |                    |            |           | -                  |                    |             |              | -                  | -                 |
| 13           | 1910 | Leasehold Improvements                   |                      |                    |            |           | -                  |                    |             |              | -                  | -                 |
| 8            | 1915 | Office Furniture & Equipment (10 years)  | 10%                  | 3,537.19           | 324.00     |           | 3,861.19           | (2,978.19)         | (99.00)     |              | (3,077.19)         | 784.00            |
| 8            | 1915 | Office Furniture & Equipment (5 years)   |                      |                    |            |           | -                  |                    |             |              | -                  | -                 |
| 10           | 1920 | Computer Equipment - Hardware            | 20%                  | 17,620.00          |            |           | 17,620.00          | (16,189.00)        | (1,431.00)  |              | (17,620.00)        | -                 |
| 45           | 1920 | Computer EquipHardware(Post Mar. 22/04)  | 20%                  | 7,199.05           |            |           | 7,199.05           | (3,179.05)         | (1,439.00)  |              | (4,618.05)         | 2,581.00          |
| 50           | 1920 | Computer EquipHardware(Post Mar. 19/07)  | 20%                  | 604.52             | 4,704.25   |           | 5,308.77           | (59.52)            | (590.25)    |              | (649.77)           | 4,659.00          |
| 52           | 1920 | Computer EquipHardware(Jan 28/10 - Jan 3 | 20%                  | -                  |            |           | -                  | -                  |             |              | -                  | -                 |
| 12           | 1925 | Computer Software                        | 20%                  | 24,513.68          | 45,509.60  |           | 70,023.28          | (13,277.68)        | (5,161.60)  |              | (18,439.28)        | 51,584.00         |
| 47           | 1995 | Contributions & Grants                   | 4%                   | (106,600.05)       | (4,395.00) |           | (110,995.05)       | 6,018.05           | 4,351.00    |              | 10,369.05          | (100,626.00)      |
|              | etc. |                                          |                      |                    |            |           | -                  |                    |             |              | -                  | -                 |
|              |      |                                          |                      |                    |            |           |                    |                    |             |              |                    |                   |
|              |      | Total                                    |                      | 649,025.92         | 84,557.15  | -         | 733,583.07         | (274,135.92)       | (47,544.15) | -            | (321,680.07)       | 411,903.00        |

| E | 10 | Transportation   |
|---|----|------------------|
| Г | 8  | Stores Equipment |

| Less: Fully Allocated Depreciation | า |
|------------------------------------|---|
| Transportation                     |   |
| Stores Equipment                   |   |
| Net Depreciation                   | - |

<sup>1</sup> Provide a Fixed Asset Continuity Schedule for 5 historic Years, Bridge Year and Test Year

Notes:

1 Tables in the format outlined above covering all fixed asset accounts should be submitted for the Test Year, Bridge Year and all relevant historical years. At a minimum, the applicant must provide data for the earlier of: 1) all historical years back to its last rebasing; or 2) at least three years of historical actuals, in addition to Bridge Year and Test Year forecasts.

2 The "CCA Class" for fixed assets should agree with the CCA Class used for tax purposes in Tax Returns. Fixed Assets sub-components may be used where the underlying asset components are classified under multiple CCA Classes for tax purposes. If an applicant uses any different classes from those shown in the table, an explanation should be provided. (also see note 3 below).

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Appendix 2-B Fixed Asset Continuity Schedule

Year 1 2009

|       |      |                                          |              | rear r       | 200         |           |              |              |             |              |              |              |
|-------|------|------------------------------------------|--------------|--------------|-------------|-----------|--------------|--------------|-------------|--------------|--------------|--------------|
|       |      |                                          |              |              | Cos         | st        |              |              | Accumulated | Depreciation |              |              |
| CCA   |      |                                          | Depreciation | Opening      |             |           | Closing      | Opening      |             |              | Closing      | Net Book     |
| Class | OEB  | Description                              | Rate         | Balance      | Additions   | Disposals | Balance      | Balance      | Additions   | Disposals    | Balance      | Value        |
| 47    | 1815 | Transformer Station Equipment >50 kV     |              | -            |             |           | -            | -            |             |              | -            | -            |
| 47    | 1830 | Poles, Towers & Fixtures                 | 4%           | 218,154.43   | 44,456.75   |           | 262,611.18   | (95,909.43)  | (14,565.75) |              | (110,475.18) | 152,136.00   |
| 47    | 1835 | Overhead Conductors & Devices            | 4%           | 248,218.74   | 10,819.75   |           | 259,038.49   | (94,836.74)  | (15,096.75) |              | (109,933.49) | 149,105.00   |
| 47    | 1840 | Underground Conduit                      | 4%           | 13,404.71    | -           |           | 13,404.71    | (1,607.71)   | (536.00)    |              | (2,143.71)   | 11,261.00    |
| 47    | 1845 | Underground Conductors & Devices         | 4%           | 73,218.52    | 19,909.64   |           | 93,128.16    | (29,222.52)  | (4,527.64)  |              | (33,750.16)  | 59,378.00    |
| 47    | 1850 | Line Transformers                        | 4%           | 80,634.00    | 17,484.40   |           | 98,118.40    | (31,622.00)  | (5,168.40)  |              | (36,790.40)  | 61,328.00    |
| 47    | 1855 | Services (Overhead & Underground)        | 4%           | 57,867.06    | 8,607.25    |           | 66,474.31    | (6,461.06)   | (2,487.25)  |              | (8,948.31)   | 57,526.00    |
| 47    | 1860 | Meters                                   | 4%           | 49,068.37    | 4,616.00    |           | 53,684.37    | (27,985.37)  | (3,682.00)  |              | (31,667.37)  | 22,017.00    |
| 47    | 1860 | Meters (Smart Meters)                    | 15%          | -            |             |           | -            | -            |             |              | -            | -            |
| 13    | 1910 | Leasehold Improvements                   | 7%           | -            |             |           | -            |              |             |              | -            | -            |
| 8     | 1915 | Office Furniture & Equipment (10 years)  | 10%          | 3,861.19     | 297.00      |           | 4,158.19     | (3,077.19)   | (121.00)    |              | (3,198.19)   | 960.00       |
| 8     | 1915 | Office Furniture & Equipment (5 years)   |              | -            |             |           | -            | -            |             |              | -            | -            |
| 10    | 1920 | Computer Equipment - Hardware            | 20%          | 17,620.00    |             |           | 17,620.00    | (17,620.00)  |             |              | (17,620.00)  | -            |
| 45    | 1920 | Computer EquipHardware(Post Mar. 22/04)  | 20%          | 7,199.05     |             |           | 7,199.05     | (4,618.05)   | (1,441.00)  |              | (6,059.05)   | 1,140.00     |
| 50    | 1920 | Computer EquipHardware(Post Mar. 19/07)  | 20%          | 5,308.77     | 1,049.93    |           | 6,358.70     | (649.77)     | (1,082.93)  |              | (1,732.70)   | 4,626.00     |
| 52    | 1920 | Computer EquipHardware(Jan 28/10 - Jan 3 | 20%          | -            |             |           | -            | -            |             |              | -            | -            |
| 12    | 1925 | Computer Software                        | 20%          | 70,023.28    | 2,045.47    |           | 72,068.75    | (18,439.28)  | (8,711.47)  |              | (27,150.75)  | 44,918.00    |
| 47    | 1995 | Contributions & Grants                   | 4%           | (110,995.05) | (29,759.21) |           | (140,754.26) | 10,369.05    | 5,036.21    |              | 15,405.26    | (125,349.00) |
|       | etc. |                                          |              | -            |             |           | -            | -            |             |              | -            | -            |
|       |      |                                          |              | -            |             |           |              | -            |             |              |              |              |
|       |      | Total                                    |              | 733,583.07   | 79,526.98   | -         | 813,110.05   | (321,680.07) | (52,383.98) | -            | (374,064.05) | 439,046.00   |

| 10 | Transportation   |
|----|------------------|
| 8  | Stores Equipment |



<sup>1</sup> Provide a Fixed Asset Continuity Schedule for 5 historic Years, Bridge Year and Test Year

#### Notes:

<sup>1</sup> Tables in the format outlined above covering all fixed asset accounts should be submitted for the Test Year, Bridge Year and all relevant historical years. At a minimum, the applicant must provide data for the earlier of: 1) all historical years back to its last rebasing; or 2) at least three years of historical actuals, in addition to Bridge Year and Test Year forecasts.

<sup>2</sup> The "CCA Class" for fixed assets should agree with the CCA Class used for tax purposes in Tax Returns. Fixed Assets sub-components may be used where the underlying asset components are classified under multiple CCA Classes for tax purposes. If an applicant uses any different classes from those shown in the table, an explanation should be provided. (also see note 3 below).

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Appendix 2-B Fixed Asset Continuity Schedule

Year <sup>1</sup> 2010

|       |      |                                          |              |              |            |           |              |              | Accumulated D |           |                        | -              |
|-------|------|------------------------------------------|--------------|--------------|------------|-----------|--------------|--------------|---------------|-----------|------------------------|----------------|
|       |      |                                          |              |              | Cos        | st        |              |              |               |           |                        |                |
| CCA   |      |                                          | Depreciation | Opening      |            |           | Closing      | Opening      |               |           |                        |                |
| Class | OEB  | Description                              | Rate         | Balance      | Additions  | Disposals | Balance      | Balance      | Additions     | Disposals | <b>Closing Balance</b> | Net Book Value |
| 47    | 1815 | Transformer Station Equipment >50 kV     |              | -            |            |           | -            | -            |               |           | -                      | -              |
| 47    |      | Poles, Towers & Fixtures                 | 4%           | 262,611.18   | 8,839.25   |           | 271,450.43   | (110,475.18) | (15,631.25)   |           | (126,106.43)           | 145,344.00     |
| 47    | 1835 | Overhead Conductors & Devices            | 4%           | 259,038.49   | 25,886.17  |           | 284,924.66   | (109,933.49) | (15,831.17)   |           | (125,764.66)           | 159,160.00     |
| 47    | 1840 | Underground Conduit                      | 4%           | 13,404.71    | -          |           | 13,404.71    | (2,143.71)   | (536.00)      |           | (2,679.71)             | 10,725.00      |
| 47    | 1845 | Underground Conductors & Devices         | 4%           | 93,128.16    | 220.00     |           | 93,348.16    | (33,750.16)  | (4,930.00)    |           | (38,680.16)            | 54,668.00      |
| 47    | 1850 | Line Transformers                        | 4%           | 98,118.40    | 6,428.00   |           | 104,546.40   | (36,790.40)  | (5,646.00)    |           | (42,436.40)            | 62,110.00      |
| 47    | 1855 | Services (Overhead & Underground)        | 4%           | 66,474.31    | 3,235.00   |           | 69,709.31    | (8,948.31)   | (2,725.00)    |           | (11,673.31)            | 58,036.00      |
| 47    | 1860 | Meters                                   | 4%           | 53,684.37    | 2,148.26   |           | 55,832.63    | (31,667.37)  | (3,818.26)    |           | (35,485.63)            | 20,347.00      |
| 47    | 1860 | Meters (Smart Meters)                    | 7%           | -            |            |           | -            | -            |               |           | -                      | -              |
| 13    | 1910 | Leasehold Improvements                   |              | -            |            |           | -            |              |               |           | -                      | -              |
| 8     | 1915 | Office Furniture & Equipment (10 years)  | 10%          | 4,158.19     | 461.70     |           | 4,619.89     | (3,198.19)   | (135.70)      |           | (3,333.89)             | 1,286.00       |
| 8     | 1915 | Office Furniture & Equipment (5 years)   |              | -            |            |           | -            | -            |               |           | -                      | -              |
| 10    | 1920 | Computer Equipment - Hardware            | 20%          | 17,620.00    |            |           | 17,620.00    | (17,620.00)  |               |           | (17,620.00)            | -              |
| 45    | 1920 | Computer EquipHardware(Post Mar. 22/04)  | 20%          | 7,199.05     |            |           | 7,199.05     | (6,059.05)   | (1,140.00)    |           | (7,199.05)             | -              |
| 50    | 1920 | Computer EquipHardware(Post Mar. 19/07)  | 20%          | 6,358.70     |            |           | 6,358.70     | (1,732.70)   | (1,272.00)    |           | (3,004.70)             | 3,354.00       |
| 52    | 1920 | Computer EquipHardware(Jan 28/10 - Jan 3 | 20%          | -            | 7,133.01   |           | 7,133.01     | -            | (713.01)      |           | (713.01)               | 6,420.00       |
| 12    | 1925 | Computer Software                        | 20%          | 72,068.75    | 15,865.94  |           | 87,934.69    | (27,150.75)  | (8,742.94)    |           | (35,893.69)            | 52,041.00      |
| 47    | 1995 | Contributions & Grants                   | 4%           | (140,754.26) | (7,508.19) |           | (148,262.45) | 15,405.26    | 5,779.19      |           | 21,184.45              | (127,078.00)   |
|       | etc. |                                          |              | -            |            |           | -            | -            |               |           | -                      | -              |
|       |      |                                          |              | -            |            |           |              | -            |               |           |                        |                |
|       |      | Total                                    |              | 813,110.05   | 62,709.14  | -         | 875,819.19   | (374,064.05) | (55,342.14)   |           | (429,406.19)           | 446,413.00     |

| 10 | Transportation   |
|----|------------------|
| 8  | Stores Equipment |



<sup>1</sup> Provide a Fixed Asset Continuity Schedule for 5 historic Years, Bridge Year and Test Year

#### Notes:

<sup>1</sup> Tables in the format outlined above covering all fixed asset accounts should be submitted for the Test Year, Bridge Year and all relevant historical years. At a minimum, the applicant must provide data for the earlier of: 1) all historical years back to its last rebasing; or 2) at least three years of historical actuals, in addition to Bridge Year and Test Year forecasts.

<sup>2</sup> The "CCA Class" for fixed assets should agree with the CCA Class used for tax purposes in Tax Returns. Fixed Assets sub-components may be used where the underlying asset components are classified under multiple CCA Classes for tax purposes. If an applicant uses any different classes from those shown in the table, an explanation should be provided. (also see note 3 below).

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Appendix 2-B Fixed Asset Continuity Schedule

2011

Year <sup>1</sup>

|       |      |                                          | [            |              | Cos       | st          |              |              |             |           |                        |                |
|-------|------|------------------------------------------|--------------|--------------|-----------|-------------|--------------|--------------|-------------|-----------|------------------------|----------------|
| CCA   |      |                                          | Depreciation | Opening      |           |             | Closing      | Opening      |             |           |                        |                |
| Class | OEB  | Description                              | Rate         | Balance      | Additions | Disposals   | Balance      | Balance      | Additions   | Disposals | <b>Closing Balance</b> | Net Book Value |
| 13    | 1810 | Leasehold Improvements                   | 20.00%       | -            | 16,028.00 |             | 16,028.00    | -            | (1,603.00)  |           | (1,603.00)             | 14,425.00      |
| 47    | 1815 | Transformer Station Equipment >50 kV     |              | -            |           |             | -            | _            |             |           | -                      | -              |
| 47    | 1830 | Poles, Towers & Fixtures                 | 4.00%        | 271,450.43   | 14,424.00 |             | 285,874.43   | (126,106.43) |             |           | (142,202.43)           | 143,672.00     |
| 47    | 1835 | Overhead Conductors & Devices            | 4.00%        | 284,924.66   | 19,840.00 |             | 304,764.66   | (125,764.66) | (16,745.00) |           | (142,509.66)           | 162,255.00     |
| 47    | 1840 | Underground Conduit                      | 4.00%        | 13,404.71    |           |             | 13,404.71    | (2,679.71)   | (536.00)    |           | (3,215.71)             | 10,189.00      |
| 47    | 1845 | Underground Conductors & Devices         | 4.00%        | 93,348.16    |           |             | 93,348.16    | (38,680.16)  | (4,935.00)  |           | (43,615.16)            | 49,733.00      |
| 47    | 1850 | Line Transformers                        | 4.00%        | 104,546.40   | 5,000.00  |             | 109,546.40   | (42,436.40)  | (5,874.00)  |           | (48,310.40)            | 61,236.00      |
| 47    |      | Services (Overhead & Underground)        | 4.00%        | 69,709.31    | 273.00    |             | 69,982.31    | (11,673.31)  | (2,794.00)  |           | (14,467.31)            | 55,515.00      |
| 47    | 1860 | Meters                                   | 4.00%        | 55,832.63    | 221.00    | (53,684.37) | 2,369.26     | (35,485.63)  | (90.00)     | 35,442.37 | (133.26)               | 2,236.00       |
| 47    | 1860 | Meters (Smart Meters)                    | 6.67%        | -            |           |             | -            | -            |             |           | -                      | -              |
| 13    | 1910 | Leasehold Improvements                   |              | -            |           |             | -            | -            |             |           | -                      | -              |
| 8     | 1915 | Office Furniture & Equipment (10 years)  | 10.00%       | 4,619.89     | 6,011.00  |             | 10,630.89    | (3,333.89)   | (490.00)    |           | (3,823.89)             | 6,807.00       |
| 8     | 1915 | Office Furniture & Equipment (5 years)   |              | -            |           |             | -            | -            |             |           | -                      | -              |
| 10    | 1920 | Computer Equipment - Hardware            | 20.00%       | 17,620.00    |           |             | 17,620.00    | (17,620.00)  |             |           | (17,620.00)            | -              |
| 45    | 1920 | Computer EquipHardware(Post Mar. 22/04)  | 20.00%       | 7,199.05     |           |             | 7,199.05     | (7,199.05)   |             |           | (7,199.05)             | -              |
| 50    | 1920 | Computer EquipHardware(Post Mar. 19/07)  | 20.00%       | 6,358.70     | 3,734.00  |             | 10,092.70    | (3,004.70)   | (1,645.00)  |           | (4,649.70)             | 5,443.00       |
| 52    | 1920 | Computer EquipHardware(Jan 28/10 - Jan 3 | 20.00%       | 7,133.01     |           |             | 7,133.01     | (713.01)     | (1,427.00)  |           | (2,140.01)             | 4,993.00       |
| 12    | 1925 | Computer Software                        | 20.00%       | 87,934.69    | 15,401.00 |             | 103,335.69   | (35,893.69)  | (14,447.00) |           | (50,340.69)            | 52,995.00      |
| 47    | 1995 | Contributions & Grants                   | 4.00%        | (148,262.45) |           |             | (148,262.45) | 21,184.45    | 5,930.00    |           | 27,114.45              | (121,148.00)   |
|       | etc. |                                          |              | -            |           |             | -            | -            |             |           | -                      | -              |
|       |      |                                          |              | -            |           |             |              |              |             |           |                        |                |
|       |      | Total                                    |              | 875,819.19   | 80,932.00 | (53,684.37) | 903,066.82   | (429,406.19) | (60,752.00) | 35,442.37 | (454,715.82)           | 448,351.00     |

| 10 | Transportation   |
|----|------------------|
| 8  | Stores Equipment |

| Less: Fully Allocated Depreciation |              |
|------------------------------------|--------------|
| Transportation                     |              |
| Stores Equipment                   |              |
| Net Depreciation                   | \$<br>35,442 |

<sup>1</sup> Provide a Fixed Asset Continuity Schedule for 5 historic Years, Bridge Year and Test Year

Notes:

1 Tables in the format outlined above covering all fixed asset accounts should be submitted for the Test Year, Bridge Year and all relevant historical years. At a minimum, the applicant must provide data for the earlier of: 1) all historical years back to its last rebasing; or 2) at least three years of historical actuals, in addition to Bridge Year and Test Year forecasts.

2 The "CCA Class" for fixed assets should agree with the CCA class used for tax purposes in Tax Returns. Fixed Assets sub-components may be used where the underlying asset components are classified under multiple CCA Classes for tax purposes. If an applicant uses any different classes from those shown in the table, an explanation should be provided. (also see note 3 below).

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Appendix 2-B Fixed Asset Continuity Schedule

2012

Year <sup>1</sup>

|       |      |                                          |              |              | Cos        | st        |              |              |             |           |                        |                |
|-------|------|------------------------------------------|--------------|--------------|------------|-----------|--------------|--------------|-------------|-----------|------------------------|----------------|
| CCA   |      |                                          | Depreciation | Opening      |            |           | Closing      | Opening      |             |           |                        |                |
| Class | OEB  | Description                              | Rate         | Balance      | Additions  | Disposals | Balance      | Balance      | Additions   | Disposals | <b>Closing Balance</b> | Net Book Value |
| 13    | 1810 | Leasehold Improvements                   | 20.00%       | 16,028.00    | -          |           | 16,028.00    | (1,603.00)   | (3,206.00)  |           | (4,809.00)             | 11,219.00      |
| 47    | 1815 | Transformer Station Equipment >50 kV     |              | -            |            |           | -            | _            |             |           | -                      | -              |
| 47    | 1830 | Poles, Towers & Fixtures                 | 4.00%        | 285,874.43   | 15,000.00  |           | 300,874.43   | (142,202.43) | (16,685.00) |           | (158,887.43)           | 141,987.00     |
| 47    | 1835 | Overhead Conductors & Devices            | 4.00%        | 304,764.66   | 23,000.00  |           | 327,764.66   | (142,509.66) | (17,602.00) |           | (160,111.66)           | 167,653.00     |
| 47    | 1840 | Underground Conduit                      | 4.00%        | 13,404.71    |            |           | 13,404.71    | (3,215.71)   | (536.00)    |           | (3,751.71)             | 9,653.00       |
| 47    | 1845 | Underground Conductors & Devices         | 4.00%        | 93,348.16    |            |           | 93,348.16    | (43,615.16)  | (4,935.00)  |           | (48,550.16)            | 44,798.00      |
| 47    | 1850 | Line Transformers                        | 4.00%        | 109,546.40   | 5,000.00   |           | 114,546.40   | (48,310.40)  | (6,074.00)  |           | (54,384.40)            | 60,162.00      |
| 47    | 1855 | Services (Overhead & Underground)        | 4.00%        | 69,982.31    |            |           | 69,982.31    | (14,467.31)  | (2,800.00)  |           | (17,267.31)            | 52,715.00      |
| 47    | 1860 | Meters                                   | 4.00%        | 2,369.26     |            |           | 2,369.26     | (133.26)     | (95.00)     |           | (228.26)               | 2,141.00       |
| 47    | 1860 | Meters (Smart Meters)                    | 6.67%        | -            | 193,297.00 |           | 193,297.00   | -            | (6,443.00)  |           | (6,443.00)             | 186,854.00     |
| 13    | 1910 | Leasehold Improvements                   |              |              |            |           | -            | -            |             |           | -                      | -              |
| 8     | 1915 | Office Furniture & Equipment (10 years)  | 10.00%       | 10,630.89    | 1,000.00   |           | 11,630.89    | (3,823.89)   | (820.00)    |           | (4,643.89)             | 6,987.00       |
| 8     | 1915 | Office Furniture & Equipment (5 years)   |              | -            |            |           | -            | -            |             |           | -                      | -              |
| 10    | 1920 | Computer Equipment - Hardware            | 20.00%       | 17,620.00    |            |           | 17,620.00    | (17,620.00)  |             |           | (17,620.00)            | -              |
| 45    | 1920 | Computer EquipHardware(Post Mar. 22/04)  | 20.00%       | 7,199.05     |            |           | 7,199.05     | (7,199.05)   |             |           | (7,199.05)             | -              |
| 50    | 1920 | Computer EquipHardware(Post Mar. 19/07)  | 20.00%       | 10,092.70    | 3,000.00   |           | 13,092.70    | (4,649.70)   | (2,259.00)  |           | (6,908.70)             | 6,184.00       |
| 52    | 1920 | Computer EquipHardware(Jan 28/10 - Jan 3 | 20.00%       | 7,133.01     |            |           | 7,133.01     | (2,140.01)   | (1,427.00)  |           | (3,567.01)             | 3,566.00       |
| 12    | 1925 | Computer Software                        | 20.00%       | 103,335.69   | 38,761.00  |           | 142,096.69   | (50,340.69)  | (19,752.00) |           | (70,092.69)            | 72,004.00      |
| 47    | 1995 | Contributions & Grants                   | 4.00%        | (148,262.45) |            |           | (148,262.45) | 27,114.45    | 5,930.00    |           | 33,044.45              | (115,218.00)   |
|       | etc. |                                          |              | -            |            |           | -            | -            |             |           | -                      | -              |
|       |      |                                          |              |              |            |           |              | -            |             |           |                        |                |
|       |      | Total                                    |              | 903,066.82   | 279,058.00 | -         | 1,182,124.82 | (454,715.82) | (76,704.00) | -         | (531,419.82)           | 650,705.00     |

| 10 | Transportation   |  |
|----|------------------|--|
| 8  | Stores Equipment |  |

| Less: Fully Allocated Depreciation |         |
|------------------------------------|---------|
| Transportation                     |         |
| Stores Equipment                   |         |
| Net Depreciation                   | \$<br>- |

<sup>1</sup> Provide a Fixed Asset Continuity Schedule for 5 historic Years, Bridge Year and Test Year

Notes:

1 Tables in the format outlined above covering all fixed asset accounts should be submitted for the Test Year, Bridge Year and all relevant historical years. At a minimum, the applicant must provide data for the earlier of: 1) all historical years back to its last rebasing; or 2) at least three years of historical actuals, in addition to Bridge Year and Test Year forecasts.

2 The "CCA Class" for fixed assets should agree with the CCA class used for tax purposes in Tax Returns. Fixed Assets sub-components may be used where the underlying asset components are classified under multiple CCA Classes for tax purposes. If an applicant uses any different classes from those shown in the table, an explanation should be provided. (also see note 3 below).

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## Capital Asset Amortization Table

- 1 2
- 3 Definition

4 The purpose of the accumulated depreciation account is to reduce the carrying value of

5 an assets to reflect the loss of value due to wear, tear, and usage.

6

## 7 <u>Utility Specifics</u>

8 The calculation of Hydro 2000's annual amortization expense is presented in Exhibit 4,

9 Tab 7. The following table summarizes annual expense amounts on this basis calculated

10 on this basis:

11

| 2008 Board Approved | -296,647 |
|---------------------|----------|
| 2008 Actual         | -321,666 |
| 2009 Actual         | -374,148 |
| 2010 Actual         | -432,329 |
| 2011 Bridge         | -496,778 |
| 2012 Test           | -566,346 |

12

13 As described earlier, Hydro 2000 has applied the half-year rule for rate-setting purposes

and uses the Board prescribed rates to calculate its amortization expenses andaccumulated depreciation.

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## Fixed Asset Continuity Statements

1 2

3 Please see Schedule 3 of this Exhibit for Fixed Asset Continuity Statements

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- Fixed Asset Continuities Statement
- 3 Definition

4 The continuity schedule shows year over year changes to the balance of fixed assets 5 and accumulated depreciation.

6

1

2

## 7 Company Specifics

8 Table 2.3.3 presented at schedule 3 of this exhibit shows continuity statements for fixed

9 assets, from the previously approved 2008 EDR balances to the projected 2012 year-

10 end balances. Explanations for annual balance changes in excess of the materiality

11 threshold are provided in Schedule 4 (Capital Plan).

# Treatment of Stranded Assets Related to Smart Meter Deployment

In the minimum filing requirements<sup>1</sup>, The Board's states that the *Smart Meter Funding and Cost Recovery* (G-2008-0002) provides two options to distributors regarding the
 accounting treatment for stranded meters related to the installation of smart meters:

- (Scenario A) If the stranded meter costs were transferred to "Sub-account
   Stranded Meter Costs" of Account 1555;.or
- (Scenario B) If the stranded meter costs remained recorded in Account 1860.

9 Hydro 2000 attests that its utility falls under Scenario B as the stranded meters have,10 until now, resided in Account 1860 - Meters.

- 11 Appendix 2-R of the Board's Appendices shown at the next page presents the value of
- 12 Hydro 2000's stranded smart meters:

<sup>&</sup>lt;sup>1</sup> Chapter 2 of the Filing Requirements for Transmission and Distribution Applications, issued June 22, Page 20

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|                          |       |                      |        |     |        | Appendix | 2-R                   |                                                    |     |           |                               |  |                       |
|--------------------------|-------|----------------------|--------|-----|--------|----------|-----------------------|----------------------------------------------------|-----|-----------|-------------------------------|--|-----------------------|
| Stranded Meter Treatment |       |                      |        |     |        |          |                       |                                                    |     |           |                               |  |                       |
| Year                     | Notes | Gross Asset<br>Value |        |     |        |          | umulated              | Contributed<br>Capital (Net<br>of<br>Amortization) |     | Net Asset | Proceeds<br>on<br>Disposition |  | idual Net<br>ok Value |
|                          |       |                      | (A)    | (B) |        | (C)      | (D) = (A) - (B) - (C) |                                                    | (E) | (F) :     | = (D) - (E)                   |  |                       |
| 2006                     |       | \$                   | 48,889 | \$  | 20,814 | \$-      | \$                    | 28,075                                             |     | \$        | 28,075                        |  |                       |
| 2007                     |       | \$                   | 48,939 | \$  | 24,398 |          | \$                    | 24,541                                             |     | \$        | 24,541                        |  |                       |
| 2008                     |       | \$                   | 49,068 | \$  | 27,985 |          | \$                    | 21,083                                             |     | \$        | 21,083                        |  |                       |
| 2009                     |       | \$                   | 53,684 | \$  | 31,667 |          | \$                    | 22,017                                             |     | \$        | 22,017                        |  |                       |
| 2010                     |       | \$                   | 53,684 | \$  | 35,442 |          | \$                    | 18,242                                             |     | \$        | 18,242                        |  |                       |
| 2011                     |       | \$                   |        |     |        |          |                       |                                                    |     |           |                               |  |                       |

1 2

Appendix 2-R requests that utilities complete the following information relating to the treatment of the utility's stranded meters.

- A description of the accounting treatment followed by the applicant on stranded
   meter costs for financial accounting and reporting purposes.
- 6 Thus far, stranded meters were included in account 1860 and therefore 7 were treated accordance with CGAAP with the same accounting rules as 8 standard meters.
- 9 Hydro 2000 transferred net balances as 2009, when the bulk of the smart
  10 meters were installed. \$18,242 was removed from Account 1860-Meters
- The amount of the pooled residual net book value of the removed from service
   stranded meters, less any contributed capital (net of accumulated amortization),
   and less any net proceeds from sales, as of December 31, 2010.
- 14The amount of pooled residual net book value as of December 31st, 201015is in the amount of \$18,242.

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1

3. A statement as to whether or not the recording of depreciation expenses
continued in order to reduce the net book value through accumulated
depreciation. If so, provision of the total (cumulative) depreciation expense for
the period from the time that the meters became stranded to December 31, 2010.

- 6 Smart meters were fully installed by the end of 2009. The 2010 7 depreciation expense was \$3,775.
- 8 4. If no depreciation expenses were recorded to reduce the net book value of
  9 stranded meters through accumulated depreciation, the total (cumulative)
  10 depreciation expense amount that would have been applicable for the period
  11 from the time that the meters became stranded to December 31, 2010.
- 12 N/A Please see question #3 above.
- 5. The estimated amount of the pooled residual net book value of the removed from
  service meters, less any net proceeds from sales and contributed capital, at the
  time when smart meters will have been fully deployed. If the smart meters have
  been fully deployed, please provide the actual amount.
- 17 The estimated net amount at end of 2009 was \$22,017.
- 18

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1

6. A description as to how the applicant intends to recover in rates the costs for
stranded meters, including the proposed accounting treatment, the proposed
disposition period and the associated bill impacts.

5 The applicant intends to recover the cost of the Stranded Meters through 6 a Rate Rider. The proposed recovery period is 4 years. Calculations of 7 the proposed rate rider are presented at Table 1 below

8

| Net Book Valuet:                                                                                      | 18,242                                   |                                 |                          |                                           |                                              |                          |
|-------------------------------------------------------------------------------------------------------|------------------------------------------|---------------------------------|--------------------------|-------------------------------------------|----------------------------------------------|--------------------------|
| Balance Date:                                                                                         |                                          | 18,242                          |                          |                                           |                                              |                          |
| Total for Recovery                                                                                    |                                          | 18,242                          |                          |                                           |                                              |                          |
| Recovery Period (years)                                                                               | 4                                        |                                 |                          |                                           |                                              |                          |
| Annual Recovery                                                                                       |                                          | 4,561                           |                          |                                           |                                              |                          |
|                                                                                                       |                                          |                                 |                          |                                           |                                              |                          |
|                                                                                                       |                                          |                                 | Billing Determinant:     | kWh                                       |                                              |                          |
|                                                                                                       |                                          |                                 |                          |                                           |                                              |                          |
| Customer Class                                                                                        | non-RPP kWh's <sup>1</sup>               | % share                         | Annual \$                | Volume <sup>2</sup>                       | Rate                                         | per                      |
| Customer Class<br>Residential                                                                         | non-RPP kWh's <sup>1</sup><br>14,703,667 | % share<br>61.0%                | Annual \$<br>2,784       | Volume <sup>2</sup><br>14,703,667         | Rate<br>\$0.0002                             | <b>per</b><br>kWh        |
|                                                                                                       |                                          |                                 |                          |                                           |                                              | •                        |
| Residential                                                                                           | 14,703,667                               | 61.0%                           | 2,784                    | 14,703,667                                | \$0.0002                                     | kWh                      |
| Residential<br>General Service < 50 kW                                                                | 14,703,667<br>4,712,132                  | 61.0%<br>19.6%                  | 2,784<br>892             | 14,703,667<br>4,712,132                   | \$0.0002<br>\$0.0002                         | kWh<br>kWh               |
| Residential<br>General Service < 50 kW<br>General Service > 50 to 4999 kW                             | 14,703,667<br>4,712,132                  | 61.0%<br>19.6%<br>19.4%         | 2,784<br>892<br>885      | 14,703,667<br>4,712,132<br>4,672,203      | \$0.0002<br>\$0.0002<br>\$0.0002             | kWh<br>kWh<br>kWh        |
| Residential<br>General Service < 50 kW<br>General Service > 50 to 4999 kW<br>Unmetered Scattered Load | 14,703,667<br>4,712,132                  | 61.0%<br>19.6%<br>19.4%<br>0.0% | 2,784<br>892<br>885<br>0 | 14,703,667<br>4,712,132<br>4,672,203<br>0 | \$0.0002<br>\$0.0002<br>\$0.0002<br>\$0.0000 | kWh<br>kWh<br>kWh<br>kWh |

#### **Table 1: Stranded Meter Rate Rider**

9

10 Although the amount may seem relatively small, Hydro 2000's is of the 11 opinion that if balances are owed to the customers, the utility prefers a 12 shorter disposition period as it provides its customer with immediate relief 13 while if the amount needs to be collected, a longer disposition period is 14 preferred in order to soften the bill impacts.

Distributors should also provide the Net Book Value per class of meter as of
 December 31, 2010 as well as the number of meters that were removed /

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stranded. In preparing this information, distributors should review the Board's
 letter of January 16, 2007 Stranded Meter Costs Related to the Installation of
 Smart Meters which stated that records were to be kept of the type and number
 of each meter to support the stranded meter costs.

5

## Table 2: Net Book Value by class

| Class          | Meters | Net book Value |
|----------------|--------|----------------|
| Residential    | 1027   | \$13,458       |
| GS<50kW        | 140    | \$3,997        |
| GS>50kW-4999kW | 11     | \$787          |

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Exhibit 2: Rate Base

## Tab 4 (of 6): Capital Plan

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## **Project/Program Classification**

1 2

The first section of this schedule provides brief overview of the project classification
followed by a description of actual capital project spending from 2008 to 2012.
Attachment 1 presents annual summaries of capital spending by project and account.

6

## 7

8

9 This classification defines projects that are deemed necessary to maintain the steady 10 and continuous delivery of power throughout Hydro 2000's service area. These projects 11 are done in accordance with section 4.4.1 of the Distribution System Code (the "DSC") 12 which states;

SAFETY, RELIABILITY AND CONTINUITY OF SERVICE

"4.4.1. A distributor shall maintain its distribution system in accordance with good utility
practice and performance standards to ensure reliability and quality of electricity service
on both a short-term and long-term basis."

16

## 17 **GROWTH DRIVEN**:

18

19 These are projects that the Applicant undertakes to meet its customer service 20 obligations in accordance with the OEB's DSC. Activities include all overhead and 21 underground works to connect new customers or service upgrades, connection and 22 inspection of new subdivisions and relocating system plant for roadway reconstruction 23 work. Such projects involved load growth caused by new customer connections and 24 increased demand of existing customers over time can result in a need for capacity 25 improvements on the system. Projects can take the form of new or upgraded feeders, 26 transformers or transformer stations.

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## 2 GOVERNMENT DRIVEN.

3

1

Government Driven projects are requested or mandated by government, regulators or
municipalities. Compliance with these projects are for the most part, necessary in order
to maintain compliance. These projects are considered out of the utility's control. These
project also include recommendations and orders from the ESA following yearly
inspections.

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## Investment Planning Process and Strategy

1 2

> Hydro 2000 does not currently have a formal asset management plan in place. Asset betterment requirements are reviewed on an annual basis as part of the capital budgeting process. The size of the utility and the relatively small service area allows staff to have a good understanding of the condition of the system and the work plan required to maintain the system in reliable and safe order. The utility is currently working on its own asset management process which involves documenting the location, conditions and age of every pole, transformer and other assets.

10

Hydro 2000 uses various tools to aid in this work; a three year inspection of the
underground system and a yearly visual inspection of the overhead distribution system
as required by the Distribution System code.

14

Hydro 2000's investment planning deals primarily with renewing aging or defective
equipment. Hydro 2000 reviews historical patterns in order to forecast its future
investments.

18

Hydro 2000 has also taken a keen interest in the report prepared by KPMG as part of the OEB's review of Asset Management practices, which states: Smaller utilities should work toward the same objectives (e.g. optimized lifecycle costing, high reliability, and high standards of safety). The utility uses the survey to improve its asset management process. Hydro 2000 is of the opinion that the in-house development of a simplified, less formalized processes of keeping track of its asset condition suffices for a relatively small utility.

| pole reglace most styleded<br>(b/n         safety and<br>reability         safety and<br>safety and<br>rea                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                           |                 |                        | 1830           | 1835                   | 1845                     | 1850                | 1855            | 1860 | 1915   | 1920                  | 1925     | TOTAL |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|-----------------|------------------------|----------------|------------------------|--------------------------|---------------------|-----------------|------|--------|-----------------------|----------|-------|
| protect 1         reability         \$4,083.00         \$4,182.00         same image im                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 2009 actual                                               | program         | # Cheque               | Pole &         | Overhaed<br>Conductors | Undergroud<br>Conductors | Line<br>Transformat | Customer<br>New |      | Office | Computer<br>Equipment | Computer |       |
| pole reglace ment s-ladied         image of the set of t                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                           |                 |                        |                |                        |                          |                     |                 |      |        |                       |          |       |
| replace cross arm si-paul and si<br>project 2 cross arm si-paul and si<br>project 2 cross arm si-paul and si<br>readily and readily si 1100 s4.780.00 s4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | project 1                                                 | reability       | \$4,083.00             | \$4,152.00     |                        |                          |                     |                 |      |        |                       |          |       |
| opin         result         safey and<br>result         safey and<br>result         safey and<br>safey and<br>safey and<br>result         safey and<br>safey and<br>safey and<br>result         safey and<br>safey and<br>result         safey and<br>safey and<br>safey and<br>result         safey and<br>result         <                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                           |                 |                        |                |                        |                          |                     |                 |      |        |                       |          |       |
| index         safety and<br>reality         safety and<br>reality         safety and<br>status         safety and<br>reality         safety and<br>safety and<br>re                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                           |                 |                        |                |                        |                          |                     |                 |      |        |                       |          |       |
| project 2<br>convect 3<br>reade<br>request visual inspection         reade<br>invect 3<br>reade<br>reade<br>reade<br>reade<br>reade<br>invect 3<br>reade<br>reade<br>reade<br>reade<br>invect 3<br>reade<br>reade<br>reade<br>reade<br>reade<br>invect 3<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>reade<br>read | Jonn                                                      |                 |                        |                |                        |                          |                     |                 |      |        |                       |          |       |
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| 2007-000 maintenance program<br>yearly visual inspection         safety and<br>rebility         safety and<br>stafety and<br>rebility         safety and<br>stafety and<br>rebility         stafety and<br>rebility <th< td=""><td>project 2</td><td></td><td>\$4,119.00</td><td>\$4,750.00</td><td>\$3,759.50</td><td>\$6,284.35</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></th<>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | project 2                                                 |                 | \$4,119.00             | \$4,750.00     | \$3,759.50             | \$6,284.35               |                     |                 |      |        |                       |          |       |
| project 3.         reability         \$4,19.00         \$7,355.00         Image: project 3.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 2007-2008 maintenance program<br>yearly visual inspection |                 |                        |                |                        |                          |                     |                 |      |        |                       |          |       |
| project 3.         reability         \$4,19.00         \$7,355.00         Image: project 3.         Image: project 3. <thimage: 3.<="" project="" th=""></thimage:>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                           | a of a triangle |                        |                |                        |                          |                     |                 |      |        |                       |          |       |
| replace pole at 806 station road       request pole at 806 station road       request pole at 806 station road       request pole at 800 station road <th< td=""><td>project 2</td><td></td><td>¢4 104 00</td><td>¢7 255 00</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></th<>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | project 2                                                 |                 | ¢4 104 00              | ¢7 255 00      |                        |                          |                     |                 |      |        |                       |          |       |
| indexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindexindex <th< td=""><td>replace pole at 806 station road</td><td>readility</td><td>\$4,194.00</td><td>\$7,355.00</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></th<>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | replace pole at 806 station road                          | readility       | \$4,194.00             | \$7,355.00     |                        |                          |                     |                 |      |        |                       |          |       |
| project 4reability\$4,188.00\$12,786.00 $\sim$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                           |                 |                        |                |                        |                          |                     |                 |      |        |                       |          |       |
| project 4reability\$4,188.00\$12,786.00 $\sim$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                           | safety and      |                        |                |                        |                          |                     |                 |      |        |                       |          |       |
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| station roadImage: constraint of the secondary bis income of                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                           | futur demand    |                        |                |                        |                          |                     |                 |      |        |                       |          |       |
| replace insulator 360 st-philippImage: safety and reabilitysafety and reabilitys4,248.00\$11.068.25Image: safety and reabilityS4,317.00\$10.68.25Image: safety and reabilityS4,317.00\$10.68.25Image: safety and reabilityS4,317.00\$10.737.00\$684.50Image: safety and reabilityS4,317.00\$1,737.00\$684.50Image: safety and reabilityS4,317.00\$1,737.00\$684.50Image: safety and reabilityS4,317.00\$1,737.00\$684.50Image: safety and reabilityS4,317.00\$1,737.00\$684.50Image: safety and reabilityS4,017.00S4,017.00S4,017.00Image: safety and reabilityS4,017.00S4,017.00Image: safety and reabilityS4,017.00S4,017.00Image: safety and reabilityS4,017.00S4,017.00Image: safety and reabilityS4,017.00S4,017.00S4,017.00S4,017.00S4,017.00S4,017.00S4,017.00S4,017.00S4,017.00S4,017.00S4,017.00S4,017.00S4,017.00S4,017.00S4,017.00S4,017.00S4,017.00S4,017.00S4,017.00S4,017.00S4,017.00S4,017.00S4,017.00S4,017.00S4,017.00 <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                           |                 |                        |                |                        |                          |                     |                 |      |        |                       |          |       |
| Image: safety and reabilitysafety and reability<                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                           |                 |                        |                |                        |                          |                     |                 |      |        |                       |          |       |
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| between water street and nation<br>river<br>improvement<br>project 6<br>safety and<br>reability<br>safety and<br>reability<br>safe                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                           | safety and      |                        |                |                        |                          |                     |                 |      |        |                       |          |       |
| riverimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovementimprovement <td>project 5</td> <td></td> <td>\$4,248.00</td> <td>\$11,068.25</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | project 5                                                 |                 | \$4,248.00             | \$11,068.25    |                        |                          |                     |                 |      |        |                       |          |       |
| $\begin{array}{c c c c c c c c c c c c c c c c c c c $                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                           | -               |                        |                |                        |                          |                     |                 |      |        |                       |          |       |
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| project 6reability $\$4,317.00$ $\$1,737.00$ $\$684.50$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$ $<$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                           | a afati a an d  |                        |                |                        |                          |                     |                 |      |        |                       |          |       |
| $\begin{array}{ c c c c c c c c c c c c c c c c c c c$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | project 6                                                 |                 | \$4 317 00             | \$1 737 00     | \$684 50               |                          |                     |                 |      |        |                       |          |       |
| travers pole and new service<br>connection<br>Julie Maisonneuve<br>project 8<br>repair burnt wire secondary bus<br>new connection 795 concession<br>project 9<br>repair burnt wire secondary bus<br>repair burnt wire secondary burnt wire se                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                           | Teaplinty       | φ4,317.00              | \$1,737.00     | <del>φ</del> 004.30    |                          |                     |                 |      |        |                       |          |       |
| travers pole and new service<br>connection<br>Julie Maisonneuve<br>project 8<br>repair burnt wire secondary bus<br>new connection 795 concession<br>project 9<br>repair burnt wire secondary bus<br>repair burnt wire secondary burnt wire se                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                           |                 |                        |                |                        |                          |                     |                 |      |        |                       |          |       |
| travers pole and new service<br>connection<br>Julie Maisonneuve<br>project 8<br>repair burnt wire secondary bus<br>new connection 795 concession<br>project 9<br>repair burnt wire secondary bus<br>repair burnt wire secondary burnt wire se                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                           |                 |                        |                |                        |                          |                     |                 |      |        |                       |          |       |
| travers pole and new service<br>connection<br>Julie Maisonneuve<br>project 8<br>repair burnt wire secondary bus<br>new connection 795 concession<br>project 9<br>repair burnt wire secondary bus<br>repair burnt wire secondary burnt wire se                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                           |                 |                        | <b>6</b> 0 000 |                        |                          |                     |                 |      |        |                       |          | 1     |
| $\begin{array}{c c c c c c c c c c c c c c c c c c c $                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | project 7                                                 | tutur demand    |                        | \$2,608.50     |                        |                          |                     |                 |      |        |                       |          |       |
| Julie Maisonneuve       Image: solution of the solutio                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                           |                 |                        |                |                        |                          |                     |                 |      |        |                       |          |       |
| $\begin{array}{ c c c c c c c c c c c c c c c c c c c$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                           |                 |                        |                |                        |                          |                     |                 |      |        |                       |          |       |
| project 8       reability       \$3,944.00       \$1,702.00       \$748.50       Image: Constraint of the secondary bus in th                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                           |                 |                        |                |                        |                          | 1                   |                 |      |        |                       |          |       |
| repair burnt wire secondary bus       Image: secondary bus <td></td> <td>safety and</td> <td></td>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                           | safety and      |                        |                |                        |                          |                     |                 |      |        |                       |          |       |
| new connection 795 concession       Image: solution of the solution of                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | project 8                                                 | reability       | \$3,944.00             |                | \$1,702.00             |                          |                     | \$748.50        |      |        |                       |          |       |
| Image: select space                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | repair burnt wire secondary bus                           |                 |                        |                |                        |                          |                     |                 |      |        |                       |          |       |
| project 9         reability         \$4,008.00         \$1,347.50                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | new connection 795 concession                             |                 |                        |                |                        |                          |                     |                 |      |        |                       |          |       |
| project 9         reability         \$4,008.00         \$1,347.50                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                           | aafatu and      |                        |                |                        |                          |                     |                 |      |        |                       |          |       |
| replace broken post insolator at                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | project 0                                                 |                 | ¢4 009 00              |                | ¢1 247 50              |                          |                     |                 |      |        |                       |          |       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                           | readility       | φ <del>4</del> ,000.00 |                | φ1,347.5U              |                          |                     |                 |      |        |                       |          |       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                           |                 |                        |                |                        |                          |                     |                 |      |        |                       |          |       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                           |                 |                        |                |                        |                          |                     |                 |      |        |                       |          |       |

|                                          |                                      |            | 1830              | 1835                              | 1845                                | 1850                       | 1855                        | 1860       | 1915                 | 1920                              | 1925                 | TOTAL |
|------------------------------------------|--------------------------------------|------------|-------------------|-----------------------------------|-------------------------------------|----------------------------|-----------------------------|------------|----------------------|-----------------------------------|----------------------|-------|
| 2009 actual                              | project<br>program<br>classification | # Cheque   | Pole &<br>Fixture | Overhaed<br>Conductors<br>Devices | Undergroud<br>Conductors<br>Devices | Line<br>Transformat<br>ion | Customer<br>New<br>Services | Meters     | Office<br>Equipement | Computer<br>Equipment<br>Hardware | Computer<br>Software |       |
|                                          | safety and                           |            |                   |                                   |                                     |                            |                             |            |                      |                                   |                      |       |
| project 10                               | reability                            | \$4,339.00 |                   | \$324.50                          |                                     |                            |                             |            |                      |                                   |                      |       |
|                                          |                                      | -          |                   |                                   |                                     |                            |                             |            |                      |                                   |                      |       |
|                                          |                                      |            |                   |                                   |                                     |                            |                             |            |                      |                                   |                      |       |
|                                          | fortune demonstra                    | ¢4.005.00  |                   | ¢4 000 75                         |                                     |                            |                             |            |                      |                                   |                      |       |
| project 11<br>new service 860 concession | future demand                        | \$4,385.00 |                   | \$1,698.75                        |                                     |                            |                             |            |                      |                                   |                      |       |
|                                          |                                      |            |                   |                                   |                                     |                            |                             |            |                      |                                   |                      |       |
|                                          |                                      |            |                   |                                   |                                     |                            |                             |            |                      |                                   |                      |       |
| project 11                               | safety and<br>reability              | \$4,407.00 |                   | \$1,303.00                        |                                     |                            | \$266.75                    |            |                      |                                   |                      |       |
| 1648.2375                                |                                      | \$4,407.00 |                   | \$1,303.00                        |                                     |                            | \$200.75                    |            |                      |                                   |                      |       |
| Connection Julie Masionneuve             |                                      |            |                   |                                   |                                     |                            |                             |            |                      |                                   |                      |       |
|                                          |                                      |            |                   |                                   |                                     |                            |                             |            |                      |                                   |                      |       |
| project 12                               | future demand                        | \$4,081.00 |                   |                                   |                                     |                            |                             |            |                      |                                   |                      |       |
| subdivison lalonde                       |                                      | φ+,001.00  |                   |                                   | \$12,616.00                         | \$1,544.40                 |                             |            |                      |                                   |                      |       |
|                                          |                                      |            |                   |                                   | \$1,009.29                          |                            |                             |            |                      |                                   |                      |       |
| project 13                               |                                      |            |                   |                                   |                                     | \$13,660.00                |                             |            |                      |                                   |                      |       |
| transfer from inventory                  |                                      |            |                   |                                   |                                     | \$13,660.00                |                             |            |                      |                                   |                      |       |
|                                          | safety and                           |            |                   |                                   |                                     |                            |                             |            |                      |                                   |                      |       |
| project 14                               | reability                            |            |                   |                                   |                                     | \$2,280.00                 |                             |            |                      |                                   |                      |       |
| replace transfo Guelph college           |                                      |            |                   |                                   |                                     |                            |                             |            |                      |                                   |                      |       |
|                                          |                                      |            |                   |                                   |                                     |                            |                             |            |                      |                                   |                      |       |
| project 15<br>new connection 745 station | futur demand                         | \$3,933.00 |                   |                                   |                                     |                            | \$524.00                    |            |                      |                                   |                      |       |
| new connection 745 station               |                                      | \$3,933.00 |                   |                                   |                                     |                            | \$ <u>5</u> 24.00           |            |                      |                                   |                      |       |
| new connection 87-89 pitre alfred        |                                      | \$4,358.00 |                   |                                   |                                     |                            | \$179.00                    |            |                      |                                   |                      |       |
|                                          |                                      | \$4,418.00 |                   |                                   |                                     |                            | \$200.00                    |            |                      |                                   |                      |       |
| Romain Lalonde                           |                                      | 507-20     |                   |                                   |                                     |                            | \$400.00                    |            |                      |                                   |                      |       |
|                                          | safety and                           |            |                   |                                   |                                     |                            |                             |            |                      |                                   |                      |       |
| project 16                               | reability                            |            |                   |                                   |                                     |                            | \$6,289.00                  |            |                      |                                   |                      |       |
| new service marina lalonde               | line<br>improvement                  |            |                   |                                   |                                     |                            |                             |            |                      |                                   |                      |       |
|                                          | new connection                       |            |                   |                                   |                                     |                            |                             |            |                      |                                   |                      |       |
| project 17                               |                                      |            |                   |                                   |                                     |                            |                             |            |                      |                                   |                      |       |
| Transfo & meter                          |                                      |            |                   |                                   |                                     |                            |                             | \$1,376.00 |                      |                                   |                      |       |
| Transfo & meter                          |                                      |            |                   |                                   |                                     |                            |                             | \$3,240.00 |                      |                                   |                      |       |
| project 18                               |                                      |            |                   |                                   |                                     |                            |                             |            |                      |                                   |                      |       |
|                                          | office                               |            |                   |                                   |                                     |                            |                             |            |                      |                                   |                      |       |
| bureaux                                  | equipment                            | \$4,367.00 |                   |                                   |                                     |                            |                             |            | \$297.00             |                                   |                      |       |
| project 19                               | +                                    |            |                   |                                   |                                     |                            |                             |            |                      |                                   |                      |       |
|                                          | computer                             |            |                   |                                   |                                     |                            |                             |            |                      |                                   |                      |       |
| installed video driver & card            | hardware                             | \$3,946.00 |                   |                                   |                                     |                            |                             |            |                      | \$163.35                          |                      |       |
| for webex & training course              |                                      | \$4,109.00 |                   |                                   |                                     |                            |                             |            |                      | \$414.72                          |                      |       |

|                              |                                      |            | 1830              | 1835                              | 1845                                | 1850                       | 1855                        | 1860       | 1915                 | 1920                              | 1925                 | TOTAL        |
|------------------------------|--------------------------------------|------------|-------------------|-----------------------------------|-------------------------------------|----------------------------|-----------------------------|------------|----------------------|-----------------------------------|----------------------|--------------|
| 2009 actual                  | project<br>program<br>classification | # Cheque   | Pole &<br>Fixture | Overhaed<br>Conductors<br>Devices | Undergroud<br>Conductors<br>Devices | Line<br>Transformat<br>ion | Customer<br>New<br>Services | Meters     | Office<br>Equipement | Computer<br>Equipment<br>Hardware | Computer<br>Software |              |
|                              |                                      |            |                   |                                   |                                     |                            |                             |            |                      |                                   |                      |              |
| project 20                   | computer<br>hardware                 |            |                   |                                   |                                     |                            |                             |            |                      |                                   |                      |              |
| Battery Back-up ES series    | Tiardware                            | \$4,318.00 |                   |                                   |                                     |                            |                             |            |                      | \$123.12                          |                      |              |
|                              |                                      | . ,        |                   |                                   |                                     |                            |                             |            |                      |                                   |                      |              |
| project 21                   | computer<br>hardware                 |            |                   |                                   |                                     |                            |                             |            |                      |                                   |                      |              |
| Brother MFC-9440CN Replace   |                                      |            |                   |                                   |                                     |                            |                             |            |                      |                                   |                      |              |
| Drum                         |                                      | \$4,315.00 |                   |                                   |                                     |                            |                             |            |                      | \$348.74                          |                      |              |
|                              | aamautar                             |            |                   |                                   |                                     |                            |                             |            |                      |                                   |                      |              |
| project 22                   | computer<br>software                 |            |                   |                                   |                                     |                            |                             |            |                      |                                   |                      |              |
| ACC PAC assistance           | Soltware                             | \$4,017.00 |                   |                                   |                                     |                            |                             |            |                      |                                   | \$187.50             |              |
|                              |                                      |            |                   |                                   |                                     |                            |                             |            |                      |                                   |                      |              |
| project 23                   |                                      |            |                   |                                   |                                     |                            |                             |            |                      |                                   |                      |              |
| Installed antivirus          | computer<br>software                 | \$4,006.00 |                   |                                   |                                     |                            |                             |            |                      |                                   | \$113.40             |              |
| project 24                   |                                      |            |                   |                                   |                                     |                            |                             |            |                      |                                   |                      |              |
| KVM Switch assistance set-up | computer<br>hardware                 | \$4,046.00 |                   |                                   |                                     |                            |                             |            |                      |                                   | \$43.20              |              |
| project 25                   |                                      |            |                   |                                   |                                     |                            |                             |            |                      |                                   |                      |              |
| Accpac assistance            | computer<br>software                 | \$4,084.00 |                   |                                   |                                     |                            |                             |            |                      |                                   | \$281.25             |              |
| Norton antivirus             | computer<br>software                 | \$4,171.00 |                   |                                   |                                     |                            |                             |            |                      |                                   | \$189.81             |              |
| project 27                   |                                      |            |                   |                                   |                                     |                            |                             |            |                      |                                   |                      |              |
| Harris CWIP                  | Harris software                      | \$4,366.00 |                   |                                   |                                     |                            |                             |            |                      |                                   | \$1,230.31           |              |
| total                        |                                      |            | \$44,456.75       | \$10,819.75                       | \$19,909.64                         | \$17,484.40                | \$8,607.25                  | \$4,616.00 | \$297.00             | \$1,049.93                        | \$2,045.47           | \$109,286.19 |

|                                                                           |                                      |          | 1830              | 1835                              | 1845                                | 1850                       | 1855                        | 1860   | 1915                 | 1920                              | 1925                 | TOTAL |
|---------------------------------------------------------------------------|--------------------------------------|----------|-------------------|-----------------------------------|-------------------------------------|----------------------------|-----------------------------|--------|----------------------|-----------------------------------|----------------------|-------|
| 2010 actual                                                               | project<br>program<br>classification | # Cheque | Pole &<br>Fixture | Overhaed<br>Conductors<br>Devices | Undergroud<br>Conductors<br>Devices | Line<br>Transformat<br>ion | Customer<br>New<br>Services | Meters | Office<br>Equipement | Computer<br>Equipment<br>Hardware | Computer<br>Software |       |
|                                                                           | safety and                           |          |                   |                                   |                                     |                            |                             |        |                      |                                   |                      |       |
| project 1                                                                 | reability                            | 4610     | \$4,000.00        | \$0.00                            |                                     |                            |                             |        |                      |                                   |                      |       |
| pole replacement 130 St-joseph<br>Alfred                                  |                                      |          |                   |                                   |                                     |                            |                             |        |                      |                                   |                      |       |
|                                                                           |                                      |          |                   |                                   |                                     |                            |                             |        |                      |                                   |                      |       |
| project 2                                                                 | safety and<br>reability              | 4610     | \$1,670.00        | \$0.00                            |                                     |                            |                             |        |                      |                                   |                      |       |
| pole replacement 295 Water<br>Plantagenet                                 |                                      |          |                   |                                   |                                     |                            |                             |        |                      |                                   |                      |       |
| project 3                                                                 | safety and reability                 |          | \$3,169.25        | \$0.00                            |                                     |                            |                             |        |                      |                                   |                      |       |
| replace fuses install guard etc<br>different locations                    |                                      |          |                   |                                   |                                     |                            |                             |        |                      |                                   |                      |       |
|                                                                           | safety and                           |          |                   |                                   |                                     |                            |                             |        |                      |                                   |                      |       |
| project 4<br>replace defective isolators on                               | reability                            | 4601     |                   | \$2,202.00                        |                                     |                            |                             |        |                      |                                   |                      |       |
| primary 4.8 kV on St-Philippe<br>Alfred                                   |                                      | 4601     |                   | -\$815.30                         |                                     |                            |                             |        |                      |                                   |                      |       |
| notice to customers power outage due to construction                      |                                      | 4622     |                   | \$73.92                           |                                     |                            |                             |        |                      |                                   |                      |       |
| notice to customers power outage due to construction                      |                                      | 4623     |                   | \$26.40                           |                                     |                            |                             |        |                      |                                   |                      |       |
| replace 68 line post insolator                                            |                                      | 4657     |                   | \$14,120.00                       |                                     |                            |                             |        |                      |                                   |                      |       |
| and at 5                                                                  | safety and                           | 4040     |                   | ¢500.45                           |                                     |                            |                             |        |                      |                                   |                      |       |
| project 5<br>burn line clamp and leg on transfo<br>599 st-philippe alfred | reability                            | 4610     |                   | \$568.15                          |                                     |                            |                             |        |                      |                                   |                      |       |
|                                                                           | safety and                           |          |                   |                                   |                                     |                            |                             |        |                      |                                   |                      |       |
| project 6<br>replace blown lightning arrester                             | reability                            | 4622     |                   | \$193.00                          |                                     |                            |                             |        |                      |                                   |                      |       |
| 320 st-joseph                                                             |                                      |          |                   |                                   |                                     |                            |                             |        |                      |                                   |                      |       |
|                                                                           |                                      |          |                   |                                   |                                     |                            |                             |        |                      |                                   |                      |       |
| project 7<br>travers pole installation 805 station<br>road plantagenet    | futur demand                         | 4678     |                   | \$2,204.00                        |                                     |                            |                             |        |                      |                                   |                      |       |
|                                                                           |                                      |          |                   |                                   |                                     |                            |                             |        |                      |                                   |                      |       |
| project 8                                                                 | safety and reability                 | 4834     |                   |                                   | \$220.00                            |                            |                             |        |                      |                                   |                      |       |
| install cable guard corner of main<br>and concession plantagenet          |                                      |          |                   |                                   |                                     |                            |                             |        |                      |                                   |                      |       |
|                                                                           |                                      |          |                   |                                   |                                     |                            |                             |        |                      |                                   |                      |       |
| 1                                                                         |                                      |          |                   |                                   |                                     |                            |                             |        |                      |                                   |                      |       |

|                                   |                                      |          | 1830              | 1835                                           | 1845       | 1850                       | 1855                        | 1860   | 1915                 | 1920                              | 1925                 | TOTAL |
|-----------------------------------|--------------------------------------|----------|-------------------|------------------------------------------------|------------|----------------------------|-----------------------------|--------|----------------------|-----------------------------------|----------------------|-------|
| 2010 actual                       | project<br>program<br>classification | # Cheque | Pole &<br>Fixture | Overhaed<br>Conductors<br>Devices              | Undergroud | Line<br>Transformat<br>ion | Customer<br>New<br>Services | Meters | Office<br>Equipement | Computer<br>Equipment<br>Hardware | Computer<br>Software |       |
|                                   | safety and                           |          |                   |                                                |            |                            |                             |        |                      |                                   |                      |       |
| project 9                         | reability                            | 4839     |                   | \$7,114.00                                     |            |                            |                             |        |                      |                                   |                      |       |
| EQE albert street plantagenet     | line<br>improvement                  |          |                   |                                                |            |                            |                             |        |                      |                                   |                      |       |
| 585 albert street plantagenet     | safety                               |          |                   |                                                |            |                            |                             |        |                      |                                   |                      |       |
| 145 jessops falls install switch  | prevention                           |          |                   |                                                |            |                            |                             |        |                      |                                   |                      |       |
|                                   | prevention                           | 568-1    |                   | \$200.00                                       |            |                            |                             |        |                      |                                   |                      |       |
|                                   |                                      | 000 1    |                   | <i><i><i>q</i><sub>2</sub><i>00.00</i></i></i> |            |                            |                             |        |                      |                                   |                      |       |
|                                   | safety and                           |          |                   |                                                |            |                            |                             |        |                      |                                   |                      |       |
| project 10                        | reability                            | 4511     |                   |                                                |            | \$693.00                   |                             |        |                      |                                   |                      |       |
| install new transformer ecole st- |                                      |          |                   |                                                |            |                            |                             |        |                      |                                   |                      |       |
| victor                            |                                      |          |                   |                                                |            |                            |                             |        |                      |                                   |                      |       |
|                                   |                                      |          |                   |                                                |            |                            |                             |        |                      |                                   |                      |       |
| project 11                        | future demand                        | 4660     |                   |                                                |            | \$800.00                   |                             |        |                      |                                   |                      |       |
| achat de deux transfo coop hydro  | luture demand                        | 4000     |                   |                                                |            | \$600.00                   |                             |        |                      |                                   |                      |       |
| embrun                            |                                      |          |                   |                                                |            |                            |                             |        |                      |                                   |                      |       |
| Chibran                           |                                      |          |                   |                                                |            |                            |                             |        |                      |                                   |                      |       |
|                                   |                                      |          |                   |                                                |            |                            |                             |        |                      |                                   |                      |       |
|                                   | safety and                           |          |                   |                                                |            |                            |                             |        |                      |                                   |                      |       |
| project 11                        | reability                            | 4665     |                   |                                                |            | \$4,935.00                 |                             |        |                      |                                   |                      |       |
| achat de transfo sproule          |                                      |          |                   |                                                |            |                            |                             |        |                      |                                   |                      |       |
|                                   |                                      |          |                   |                                                |            |                            |                             |        |                      |                                   |                      |       |
|                                   | 6 1 d                                |          |                   |                                                |            |                            |                             |        |                      |                                   |                      |       |
|                                   | future demand                        | 4418     |                   |                                                |            |                            | \$455.50                    |        |                      |                                   |                      |       |
| customer new services             |                                      | 4418     |                   |                                                |            |                            | \$455.50<br>\$83.25         |        |                      |                                   |                      |       |
|                                   |                                      | 4629     |                   |                                                |            |                            | \$541.00                    |        |                      |                                   |                      |       |
|                                   |                                      | 4639     |                   |                                                |            |                            | \$698.75                    |        |                      |                                   |                      |       |
|                                   |                                      | 4678     |                   |                                                |            |                            | \$700.00                    |        |                      |                                   |                      |       |
|                                   |                                      | 4709     |                   |                                                |            |                            | \$456.50                    |        |                      |                                   |                      |       |
|                                   |                                      | 4828     |                   |                                                |            |                            | \$300.00                    |        |                      |                                   |                      |       |
|                                   |                                      |          |                   |                                                |            |                            |                             |        |                      |                                   |                      |       |
| project 13                        |                                      | 4845     |                   |                                                |            |                            | \$2,148.26                  |        |                      |                                   |                      |       |
| interval meter CDECO (ecole)      |                                      | 4448     |                   |                                                |            |                            |                             |        |                      |                                   |                      |       |
| achat et installation de deux     |                                      |          |                   |                                                |            |                            |                             |        |                      |                                   |                      |       |
| interval meter                    |                                      | 4449     |                   |                                                |            |                            |                             |        |                      |                                   |                      |       |
| project 14                        |                                      | 4470     |                   |                                                |            |                            |                             |        | \$461.70             |                                   |                      |       |
| office equipement bureau          |                                      | 0177     |                   |                                                |            |                            |                             |        | φ <del>-</del> 01.70 |                                   |                      |       |
|                                   |                                      |          |                   |                                                |            |                            |                             |        |                      |                                   |                      |       |
|                                   | computer                             |          |                   |                                                |            |                            |                             |        |                      |                                   |                      |       |
| project 15                        | hardware                             | 4477     |                   |                                                |            |                            |                             |        |                      | \$6,447.60                        |                      |       |
| installation of a back up server  |                                      | 4509     |                   |                                                |            |                            |                             |        |                      | \$139.32                          |                      |       |
| support pour clavier et souris    |                                      | 4628     |                   |                                                |            |                            |                             |        |                      | \$151.10                          |                      |       |
| server updates                    |                                      | 4656     |                   |                                                |            |                            |                             |        |                      | \$129.00                          |                      |       |
| hardware mouse                    |                                      | 4618     |                   |                                                |            |                            |                             |        |                      | \$39.00                           |                      |       |
| drum printer                      |                                      | 4815     |                   |                                                |            |                            |                             |        |                      | \$226.99                          |                      |       |
|                                   | harris workshop                      |          |                   |                                                |            |                            |                             |        |                      |                                   |                      |       |
|                                   | HATTS WURSHUD                        |          |                   |                                                |            |                            |                             |        |                      |                                   |                      |       |
| project 16                        | 3                                    | 4810     |                   |                                                |            |                            |                             |        |                      |                                   | \$492.07             |       |

|                              |                                      |          | 1830              | 1835                              | 1845                                | 1850                       | 1855                        | 1860   | 1915                 | 1920                              | 1925                 | TOTAL |
|------------------------------|--------------------------------------|----------|-------------------|-----------------------------------|-------------------------------------|----------------------------|-----------------------------|--------|----------------------|-----------------------------------|----------------------|-------|
| 2010 actual                  | project<br>program<br>classification | # Cheque | Pole &<br>Fixture | Overhaed<br>Conductors<br>Devices | Undergroud<br>Conductors<br>Devices | Line<br>Transformat<br>ion | Customer<br>New<br>Services | Meters | Office<br>Equipement | Computer<br>Equipment<br>Hardware | Computer<br>Software |       |
| software training            |                                      | 568-1    |                   |                                   |                                     |                            |                             |        |                      |                                   | \$396.00             |       |
|                              |                                      | 4660     |                   |                                   |                                     |                            |                             |        |                      |                                   | \$386.00             |       |
| conversion advance to Harris |                                      |          |                   |                                   |                                     |                            |                             |        |                      |                                   |                      |       |
| (from previous year project) |                                      | 4664     |                   |                                   |                                     |                            |                             |        |                      |                                   | \$14,300.00          |       |
|                              |                                      |          |                   |                                   |                                     |                            |                             |        |                      |                                   |                      |       |
|                              | computer                             |          |                   |                                   |                                     |                            |                             |        |                      |                                   |                      |       |
| project 17                   | hardware                             | 4445     |                   |                                   |                                     |                            |                             |        |                      |                                   | \$139.32             |       |
| hardware change on server    |                                      |          |                   |                                   |                                     |                            |                             |        |                      |                                   |                      |       |
|                              |                                      |          |                   |                                   |                                     |                            |                             |        |                      |                                   |                      |       |
|                              |                                      |          |                   |                                   |                                     |                            |                             |        |                      |                                   |                      |       |

| PartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartnerPartner <th></th> <th></th> <th></th> <th>1810</th> <th>1830</th> <th>1835</th> <th>1845</th> <th>1850</th> <th>1855</th> <th>1860</th> <th>1915</th> <th>1920</th> <th>1925</th> <th>TOTAL</th>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                             |                      |          | 1810        | 1830       | 1835     | 1845 | 1850           | 1855     | 1860     | 1915                 | 1920       | 1925                     | TOTAL |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|----------------------|----------|-------------|------------|----------|------|----------------|----------|----------|----------------------|------------|--------------------------|-------|
| 21 stand         Partial         Partia         Partia         Partial <t< th=""><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th></th><th>1000</th><th></th><th></th><th></th><th>TOTAL</th></t<>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                             |                      |          |             |            |          |      |                |          | 1000     |                      |            |                          | TOTAL |
| Ideal         Ideal         Ideal         Parte         Ideal         Ideal <t< th=""><th>2011 actual</th><th></th><th># Cheque</th><th></th><th></th><th></th><th></th><th></th><th></th><th>meter</th><th></th><th></th><th></th><th></th></t<>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 2011 actual                                 |                      | # Cheque |             |            |          |      |                |          | meter    |                      |            |                          |       |
| southmemememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememememe                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 2011 401441                                 | classification       | " onoquo | Improvement | Fixture    |          |      | Transformation |          |          | Equipement           |            | Software                 |       |
| norm mon man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<br>man<                                                                                                                                                                                                                                                   | project 1                                   |                      |          |             |            |          |      |                |          |          |                      |            |                          |       |
| arbai         mail         mail <t< td=""><td></td><td>new office set-up</td><td>4981</td><td>\$432.50</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                             | new office set-up    | 4981     | \$432.50    |            |          |      |                |          |          |                      |            |                          |       |
| mat         mat <td>window blinds</td> <td></td>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | window blinds                               |                      |          |             |            |          |      |                |          |          |                      |            |                          |       |
| Installed<br>bising order<br>bising or                                                                                                              |                                             |                      | 5002     | \$1,530.00  |            |          |      |                |          |          |                      |            |                          |       |
| IntellingentingenFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldFieldF                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Floor sealer and wax                        |                      |          |             |            |          |      |                |          |          |                      |            |                          |       |
| condition         cond                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                             |                      |          |             |            |          |      |                |          |          |                      |            |                          |       |
| book         substrate         substrat         substrate         subs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Installation phone lines                    |                      | 5030     | \$547.00    |            |          |      |                |          |          |                      |            |                          |       |
| book         substrate         substrat         substrate         subs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                             |                      |          |             |            |          |      |                |          |          |                      |            |                          |       |
| colorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolorcolor <th< td=""><td></td><td>C + 0 + 1114</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></th<>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                             | C + 0 + 1114         |          |             |            |          |      |                |          |          |                      |            |                          |       |
| Incall is exactly of Case Participants   incall as exactly of Case Participants i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i i <td>pole replacement 550, St-Philippe Alfred</td> <td>safety &amp; reability</td> <td>5068</td> <td></td> <td>\$7,424.25</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | pole replacement 550, St-Philippe Alfred    | safety & reability   | 5068     |             | \$7,424.25 |          |      |                |          |          |                      |            |                          |       |
| Calcie and product 2019 walls wallsFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFreeFree                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                             |                      |          |             |            |          |      |                |          |          |                      |            |                          |       |
| cond         cond <th< td=""><td>Capital expanditure 2010 viewal inspection</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></th<>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Capital expanditure 2010 viewal inspection  |                      |          |             |            |          |      |                |          |          |                      |            |                          |       |
| instal modeaddy4470Nor offer function                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Capital experiordine 2010 visual inspection |                      |          |             |            |          |      |                |          |          |                      |            |                          |       |
| instal modeaddy4470Nor offer function                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | project 3                                   |                      |          |             |            |          |      |                |          |          |                      |            |                          |       |
| Institution<br>institution<br>consid                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Install new squeeze on connectors           | safety & reability   | 4970     |             |            | \$460.50 |      |                |          |          |                      |            |                          |       |
| constrained         Fund                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                             | control of roubility |          |             |            |          |      |                |          |          |                      |            |                          |       |
| New arcset 40%, Matching ParticipantsFragment of the second |                                             |                      |          |             |            | ÷==5.00  |      |                |          |          |                      |            |                          |       |
| New arcset 40%, Matching ParticipantsFragment of the second | project 4                                   |                      |          |             |            |          |      |                |          |          |                      |            |                          |       |
| cond f         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n <td></td> <td>Futur demand</td> <td>4870</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>\$273.00</td> <td></td> <td></td> <td></td> <td></td> <td></td>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                             | Futur demand         | 4870     |             |            |          |      |                | \$273.00 |          |                      |            |                          |       |
| Uband<br>Uband<br>IntervalSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSet                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                             |                      |          |             |            |          |      |                |          |          |                      |            |                          |       |
| Uband<br>Uband<br>IntervalSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSetuSet                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                             |                      |          |             |            |          |      |                |          |          |                      |            |                          |       |
| nered 6         new         ne         new         new         new<                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | project 5                                   |                      |          |             |            |          |      |                |          |          |                      |            |                          |       |
| New office fundancesNew office fundancesAB83IIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIII <t< td=""><td>Upgrade meetering CDECO</td><td>Safety &amp; reability</td><td>4886</td><td></td><td></td><td></td><td></td><td></td><td></td><td>\$221.84</td><td></td><td></td><td></td><td></td></t<>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Upgrade meetering CDECO                     | Safety & reability   | 4886     |             |            |          |      |                |          | \$221.84 |                      |            |                          |       |
| New office fundancesNew office fundancesAB83IIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIII <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                             |                      |          |             |            |          |      |                |          |          |                      |            |                          |       |
| New dick turnituresImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImage                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                             |                      |          |             |            |          |      |                |          |          |                      |            |                          |       |
| New office furnitures         501         C         C         S182.20         S182.20         C         S182.20         C         S182.20         S182.20         S182.20         S182.20         S182.20         S182.20         S182.20         S182.20         S182.20         S18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | New office furnitures                       | New office setup     |          |             |            |          |      |                |          |          | \$663.72             |            |                          |       |
| New office hundlinges         5015         5016         5016         5016         5016         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017         5017                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                             |                      |          |             |            |          |      |                |          |          |                      |            |                          |       |
| New office furnitures1496111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111 <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                             |                      |          |             |            |          |      |                |          |          |                      |            |                          |       |
| New office furnitures1503111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111 <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>\$145.40<br/>\$575.50</td><td></td><td></td><td></td></t<>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                             |                      |          |             |            |          |      |                |          |          | \$145.40<br>\$575.50 |            |                          |       |
| New office furnitures5031Image: state         |                                             |                      |          |             |            |          |      |                |          |          |                      |            |                          |       |
| New office furnitories     Softs     Softs <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                             |                      |          |             |            |          |      |                |          |          |                      |            |                          |       |
| New office furtheresSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoftSoft <th< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></th<>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                             |                      |          |             |            |          |      |                |          |          |                      |            |                          |       |
| New office furthers5994599459945994599459945994599459945994599459945994599459945994599459945994599459945994599459945994599459945994599459945994599459945994599459945994599459945994599459945994599459945994599459945994599459945994599459945994599459945994599459945994599459945994599459945994599459945994599459945994599459945994599459945994599459945994599459945994599459945994599459945994599459945994599459945994599459945994599459945994599459945994599459945994599459945994599459945994599459945994599459945994599459945994599459945994599459945994599459945994599459945994599459945994599459945994599459945994599459945994599459945994599459945994                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                             |                      |          |             |            |          |      |                |          |          |                      |            |                          |       |
| non-conditionImage: sector of the board conference roomNew office setup4928Image: sector of the board conference roomNew office setupNew                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                             |                      | 5094     |             |            |          |      |                |          |          | \$134.77             |            |                          |       |
| Set up of the board conference room     New office setup     44963     Image of the board conference room     14963     14963     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1 </td <td></td>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                             |                      |          |             |            |          |      |                |          |          |                      |            |                          |       |
| Replaced power supply on computer         4863             Streps & computer conference room                                                                                                                                                                                                                                                                                                                                                                                                                                | project 7                                   |                      |          |             |            |          |      |                |          |          |                      |            |                          |       |
| Screen & computer conference roomImage drive serverScreen & School and Schoo        | Set up of the board conference room         | New office setup     |          |             |            |          |      |                |          |          |                      |            |                          |       |
| Tape drive server     Image drive se                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                             |                      |          |             |            |          |      |                |          |          |                      |            |                          |       |
| nemetedImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImageImage <t< td=""><td></td><td></td><td>4996</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>\$2,557.31</td><td></td><td></td></t<>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                             |                      | 4996     |             |            |          |      |                |          |          |                      | \$2,557.31 |                          |       |
| Haris Acceac         5029         Image of the second secon               | Tape drive server                           |                      | 5169     |             |            |          |      |                |          |          |                      | \$928.00   |                          |       |
| Haris Acceac         5029         Image of the second secon               |                                             |                      |          |             |            |          |      |                |          |          |                      |            |                          |       |
| Udde office suite & Norton4917Image of the suite of the suite worth as a subscript of the s        |                                             | hamia 0 Assas        | 5000     |             |            |          |      |                |          |          |                      |            | <b>64</b> 500 00         |       |
| ACC pacudate $4971$ $4971$ $60$ $60$ $60$ $60$ $60$ $60$ $82,989.0$ Software purchase $4996$ $60$ $60$ $60$ $60$ $60$ $60$ $60$ $610$ $60$ $610$ $60$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ $610$ <td></td> <td>harris &amp; Accpac</td> <td></td> <td>\$1,500.00</td> <td></td>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                             | harris & Accpac      |          |             |            |          |      |                |          |          |                      |            | \$1,500.00               |       |
| Software purchase149961111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111111                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                             | 1                    |          |             |            |          |      |                |          |          |                      |            | \$1,541.49<br>\$2,000.20 |       |
| DAAcopac software         5018         Image: software         Software<                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                             |                      |          |             |            |          |      |                |          |          |                      |            |                          |       |
| Elenchus         5041         5041         6         6         6         6         6         6         6         6         6         6         5         6         6         6         6         6         6         6         6         6         6         6         8         8         0         8         8         0         8         8         0         8         8         0         8         8         0         8         8         0         8         8         0         8         8         0         8         8         0         8         8         0         8         8         0         8         8         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1 <th1< th="">         1         1         &lt;</th1<>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                             | 1                    |          |             |            |          |      |                |          |          |                      |            | \$1,009,65               |       |
| Purchase & Install software         Image of the state of the s       |                                             |                      | 5041     |             |            |          |      |                |          |          |                      |            |                          |       |
| Tape backup     100     5075     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1     1 <td></td> <td>1</td> <td>5057</td> <td></td>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                             | 1                    | 5057     |             |            |          |      |                |          |          |                      |            |                          |       |
| Acc pac softwareSoftware creditSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftwareSoftware<                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Tape backup                                 |                      | 5075     |             |            |          |      |                |          |          |                      |            | \$74.00                  |       |
| Project 9         software         software         inc                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Acc pac software                            |                      | 5124     |             |            |          |      |                |          |          |                      |            | \$1,406.25               |       |
| Website Design         5016         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | software credit                             |                      |          |             |            |          |      |                |          |          |                      |            | -\$159.00                |       |
| Website Design         5016         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                             |                      |          |             |            |          |      |                |          |          |                      |            |                          |       |
| Website Design         5017         Image: Solid state of the solid               |                                             | software             |          |             |            |          |      |                |          |          |                      |            |                          |       |
| Website Design         Inclusion                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                             |                      |          |             | 1          |          |      |                |          |          |                      |            |                          |       |
| Image: system         Image: s                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                             | +                    | 5017     |             |            |          |      |                |          |          | -                    |            |                          |       |
| Generator & natural gas for office         Safety & reability         \$12,000.00         Image: Constraint of the second                       | website Design                              |                      |          |             |            |          |      |                |          |          |                      |            | \$3,100.00               |       |
| Generator & natural gas for office         Safety & reability         \$12,000.00         Image: Constraint of the second                       |                                             |                      |          |             |            |          |      |                |          |          |                      |            |                          |       |
| Generator & natural gas for office         Safety & reability         \$12,000.00         Image: Constraint of the second                       |                                             | ł                    |          |             |            |          |      | ł              |          |          |                      |            |                          |       |
| Generator & natural gas for office         Safety & reability         \$12,000.00         Image: Constraint of the second                       | project 10                                  | 1                    |          |             |            |          |      |                |          |          |                      |            |                          |       |
| n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n         n                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                             | Safety & reability   |          | \$12,000,00 |            |          |      |                |          |          |                      |            |                          |       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                             | Survey & reability   |          | ψ12,000.00  |            |          |      |                |          |          |                      |            |                          |       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                             | 1                    | 1 1      |             |            | 1        |      | 1              | 1        |          |                      |            |                          |       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | project 11                                  | İ                    | 1        |             |            | 1        |      |                |          |          |                      |            |                          |       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                             | Safety & reability   |          |             |            |          |      | \$5,000.00     |          |          |                      |            |                          |       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                             |                      |          |             |            |          |      |                |          |          |                      |            |                          |       |

|                            |                                   |          | 1810                     | 1830              | 1835                              | 1845                                | 1850                   | 1855                        | 1860     | 1915                 | 1920                              | 1925                 | TOTAL       |
|----------------------------|-----------------------------------|----------|--------------------------|-------------------|-----------------------------------|-------------------------------------|------------------------|-----------------------------|----------|----------------------|-----------------------------------|----------------------|-------------|
| 2011 actual                | project program<br>classification | # Cheque | Leasehold<br>Improvement | Pole &<br>Fixture | Overhaed<br>Conductors<br>Devices | Undergroud<br>Conductors<br>Devices | Line<br>Transformation | Customer<br>New<br>Services | meter    | Office<br>Equipement | Computer<br>Equipment<br>Hardware | Computer<br>Software |             |
|                            |                                   |          |                          |                   |                                   |                                     |                        |                             |          |                      |                                   |                      |             |
| project 11                 | Safety & reability                |          |                          |                   |                                   |                                     |                        |                             |          |                      |                                   |                      |             |
| 2 poles to be change       |                                   |          |                          | \$7,000.00        | \$5,000.00                        |                                     |                        |                             |          |                      |                                   |                      |             |
|                            |                                   |          |                          |                   |                                   |                                     |                        |                             |          |                      |                                   |                      |             |
|                            |                                   |          |                          |                   |                                   |                                     |                        |                             |          |                      |                                   |                      |             |
| project 12                 |                                   |          |                          |                   |                                   |                                     |                        |                             |          |                      |                                   |                      |             |
| Yearly Inspection metering | Safety & reability                |          |                          |                   | \$14,000.00                       |                                     |                        |                             |          |                      |                                   |                      |             |
|                            |                                   |          |                          |                   |                                   |                                     |                        |                             |          |                      |                                   |                      |             |
|                            |                                   |          |                          |                   |                                   |                                     |                        |                             |          |                      |                                   |                      |             |
| total                      |                                   |          | \$16,028.08              | \$14,424.25       | \$19,840.50                       | \$0.00                              | \$5,000.00             | \$273.00                    | \$221.84 | \$6,011.55           | \$3,734.97                        | \$15,401.69          | \$80,935.88 |

|                              |                                   |          | 1830           | 1835                              | 1845                                | 1850                   | 1855                     | 1915                 | 1920                              | 1925                 | TOTAL       |
|------------------------------|-----------------------------------|----------|----------------|-----------------------------------|-------------------------------------|------------------------|--------------------------|----------------------|-----------------------------------|----------------------|-------------|
| 2012 actual                  | project program<br>classification | # Cheque | Pole & Fixture | Overhaed<br>Conductors<br>Devices | Undergroud<br>Conductors<br>Devices | Line<br>Transformation | Customer New<br>Services | Office<br>Equipement | Computer<br>Equipment<br>Hardware | Computer<br>Software |             |
| project 1                    | safety & reability                |          |                |                                   |                                     |                        |                          |                      |                                   |                      |             |
| Replace poles (3 to 5)       |                                   |          | \$15,000.00    | \$13,000.00                       |                                     |                        |                          |                      |                                   |                      |             |
| over head conductors devices |                                   |          |                |                                   |                                     |                        |                          |                      |                                   |                      |             |
| project 2                    | safety & reability                |          |                |                                   |                                     |                        |                          |                      |                                   |                      |             |
| yearly visual inspection     |                                   |          |                | \$10,000.00                       |                                     |                        |                          |                      |                                   |                      |             |
| over head conductors devices |                                   |          |                |                                   |                                     |                        |                          |                      |                                   |                      |             |
| project 3                    | safety & reability                |          |                |                                   |                                     |                        |                          |                      |                                   |                      |             |
| purchase & replace transfo   |                                   |          |                |                                   |                                     | \$5,000.00             |                          |                      |                                   |                      |             |
| project 5                    | New office setup                  |          |                |                                   |                                     |                        |                          |                      |                                   |                      |             |
| office equipment             |                                   |          |                |                                   |                                     |                        |                          | \$1,000.00           |                                   |                      |             |
| project 6                    |                                   |          |                |                                   |                                     |                        |                          |                      |                                   |                      |             |
| replace laptop               |                                   |          |                |                                   |                                     |                        |                          |                      | \$3,000.00                        |                      |             |
|                              |                                   |          |                |                                   |                                     |                        |                          |                      |                                   |                      |             |
| project 7                    | Harris                            |          |                |                                   |                                     |                        |                          |                      |                                   |                      |             |
| CIS upgrade                  |                                   |          |                |                                   |                                     |                        |                          |                      |                                   | \$9,000.00           |             |
| total                        |                                   |          | \$15,000.00    | \$23,000.00                       | \$0.00                              | \$5,000.00             | \$0.00                   | \$1,000.00           | \$3,000.00                        | \$9,000.00           | \$56,000.00 |

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## **Capital Project Tables**

1 2

6 7

3 Please find below Hydro 2000's Capital Project Tables presenting classification, need

4 and scope for the utility's capital expenditures. Note that the totals presented in the

5 summary table do not include capital contribution<sup>1</sup>

## **Capital Additions for 2009**

| Account Description                      | USA Acct | Total        |
|------------------------------------------|----------|--------------|
| Poles, Towers & Fixtures                 | 1830     | \$44,456.75  |
| <b>Overhead Conductors &amp; Devices</b> | 1835     | \$10,819.75  |
| Underground Conductors & Devices         | 1845     | \$19,909.64  |
| Line Transformers                        | 1850     | \$17,484.40  |
| Services                                 | 1855     | \$8,607.25   |
| Meters                                   | 1860     | \$4,616.00   |
| Office Furniture                         | 1915     | \$297.00     |
| Computer Hardware                        | 1920     | \$1,049.93   |
| Computer Software                        | 1925     | \$2,045.47   |
| TOTAL                                    |          | \$109,286.19 |

#### 8

9

## 10 Project #1 – Pole Replacement

| Account & Description   | Amount     |
|-------------------------|------------|
| 1830-Poles and Fixtures | \$4,152.00 |
| TOTAL                   | \$4,152.00 |

- 12 **Classification:** Safety and Reliability and Continuity of Service
- 13 **Need:** Asset Maintenance
- 14 Scope: Pole replacement at corner of St-Placid and replacement of cross arms at St-
- 15 Paul and St-John. Pole and cross arms showed signs of deterioration.

<sup>&</sup>lt;sup>1</sup> Capital contributions are taken into account for rate making purposes.

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1

## 2 **Project #2 – Maintenance program (yearly visual inspection)**

| Account & Description              | Amount      |
|------------------------------------|-------------|
| 1830-Poles and Fixtures            | \$4,750.00  |
| 1835-Overhead Conductor Devices    | \$3,759.50  |
| 1845-Underground Conductor Devices | \$6,284.35  |
| TOTAL                              | \$14,793.85 |

3

## 4 Classification: Safety and Reliability and Continuity of Service

#### 5 **Need:** Asset Maintenance

6 Scope: Following the yearly inspection conducted by the ESA, Hydro 2000 replaced

7 several poles, fixtures and associated devices that showed signs of deterioration and/or

- 8 wear and tear.
- 9

## 10 **Project #3 – Pole Replacement**

| Account & Description   | Amount     |
|-------------------------|------------|
| 1830-Poles and Fixtures | \$7,355.00 |
| TOTAL                   | \$7,355.00 |

11

- 12 **Classification:** Safety and Reliability and Continuity of Service
- 13 Need: Asset Maintenance

Scope: Pole replacement at 806 Station Road. Pole and cross arms showed signs ofdeterioration.

16

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## 1 Project #4 – Pole and Cross Arm replacement

| Account & Description   | Amount      |
|-------------------------|-------------|
| 1830-Poles and Fixtures | \$12,786.00 |
| TOTAL                   | \$12,786.00 |

2

## 3 **Classification:** Safety and Reliability and Continuity of Service

- 4 Need: Asset Maintenance
- 5 Scope: Work for this particular project involved replacing cross arms at station road,
- 6 replace a transformer at station road and replace an insulator at 360 St-Philippe

7

## 8 Project #5 – Line improvement

| Account & Description   | Amount      |
|-------------------------|-------------|
| 1830-Poles and Fixtures | \$11,068.00 |
| TOTAL                   | \$11,068.00 |

9

- 10 Classification: Safety and Reliability and Continuity of Service
- 11 Need: Asset Maintenance
- 12 **Scope:** Work involved line improvement between Water Street and Nation River.

13

## 14 **Project #6 – Pole and Cross Arm replacement**

| Account & Description   | Amount     |
|-------------------------|------------|
| 1830-Poles and Fixtures | \$1737.00  |
| 1830-Poles and Fixtures | \$684.00   |
| TOTAL                   | \$2,542.00 |

- 16 Classification: Safety and Reliability and Continuity of Service
- 17 Need: Asset Maintenance

Scope: Upgrade of the distribution line to accommodate the new subdivision approved
 in 1960. Although it is technically a subdivision, the lots were severed in 1960 and
 therefore each customer is individually connected to Hydro 2000's distribution system.

4

## 5 Project #7 – New Service

| Account & Description   | Amount     |
|-------------------------|------------|
| 1830-Poles and Fixtures | \$2,60800  |
| TOTAL                   | \$2,608.00 |

6

## 7 Classification: Growth

8 **Need:** Installation of new service.

9 **Scope:** Work involved installation of pole and overhead device to accommodate a new

10 service.

11

## 12 Project #8 – Pole and Cross Arm replacement

| Account & Description           | Amount     |
|---------------------------------|------------|
| 1835-Overhead Conductor Devices | \$1,702.00 |
| 1855- Service                   | \$748.50   |
| TOTAL                           | \$2,450.00 |

- 14 Classification: Safety and Reliability and Continuity of Service
- 15 **Need:** Asset Maintenance / New Service
- 16 **Scope:** Work involved repairing burnt wire on secondary bus for a new connection at
- 17 795 Concession

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1

#### 2 **Project #9 – Broken Post Insulator at St-Philippe**

| Account & Description            | Amount     |
|----------------------------------|------------|
| 1835-Overhead Conductors Devices | \$1,347.00 |
| TOTAL                            | \$1,347.00 |

3

#### 4 **Classification:** Safety and Reliability and Continuity of Service

- 5 **Need:** Asset Maintenance
- 6 **Scope:** Work for this particular project involved replacing a post insolator at the corner
- 7 of St-Philippe and Bourgeois.
- 8

#### 9 Project #10 – Repair of Overhead Device

| Account & Description            | Amount   |
|----------------------------------|----------|
| 1835-Overhead Conductors Devices | \$324.00 |
| TOTAL                            | \$324.00 |

#### 10

- 11 **Classification:** Safety and Reliability and Continuity of Service
- 12 Need: Asset Maintenance
- 13 **Scope:** Work for this particular project involved replacing a lightening arrestor.
- 14

#### 15 **Project #11 – New Service**

| Account & Description          | Amount     |
|--------------------------------|------------|
| 1835-Overhead Conductor Device | \$1,303.00 |
| 1835-Overhead Conductor Device | \$1,698.75 |
| 1855-New Service               | 266.75     |
| TOTAL                          | \$1,648.00 |

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- 1 Classification: Safety and Reliability and Continuity of Service / new service
- 2 **Need:** New Service

3 Scope: This work involved connection of a new service at 815 Station Rd in
4 Plantagenet as well as connection of new service at 860 Concession.. This project
5 involved installation of traverse pole to supply the customer and adjoining property.

6

#### 7 **Project #12 – Lalonde Subdivision**

| Account & Description              | Amount      |
|------------------------------------|-------------|
| 1845-Underground Conductor Devices | \$12,606.00 |
| 1845-Underground Conductor Devices | \$1,009.29  |
| 1850-Line Transformation           | 1544.40     |
| TOTAL                              | \$15,159.00 |

8

#### 9 Classification: Growth

#### 10 **Need:** Connection of a new subdivision

11 **Scope:** Work for this particular project involved underground device to accommodate a

12 new subdivision.

13

#### 14 **Project #13 – Transfer from inventory**

| Account & Description    | Amount      |
|--------------------------|-------------|
| 1850-Line TransformatiOn | \$13,660.00 |
| TOTAL                    | \$13,660.00 |

15

#### 16 Classification: Safety and Reliability and Continuity of Service / new service

- 17 **Need:** transfer from inventory to books
- 18 **Scope:** Inventory not previously in the books was entered into accounting system.

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1

### 2 Project #14 – Replacement of transformer at Guelph University Alfred

#### 3 Campus

| Account & Description    | Amount     |
|--------------------------|------------|
| 1850-Line TransformatiOn | \$2,280.00 |
| TOTAL                    | \$2,280.00 |

4

5 **Classification:** Safety and Reliability and Continuity of Service

#### 6 **Need:** Asset Maintenance

- 7 Scope: Work for this particular project involved replacing a broken transformer at the
- 8 Guelph University Alfred Campus.

9

#### 10 Project #15 – New Service

| Account & Description | Amount     |
|-----------------------|------------|
| 1855-New Service      | \$524.00   |
| 1855-New Service      | \$179.00   |
| 1855-New Service      | \$200.00   |
| 1855-New Service      | \$400.00   |
| TOTAL                 | \$1,303.00 |

11

- 12 **Classification:** Safety and Reliability and Continuity of Service / new service
- 13 **Need:** New Service and line improvement
- Scope: This work involved connection and improvement of an exisiting line at MarinaLalonde

16

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#### 1 Project #16 – New Service

| Account & Description | Amount     |
|-----------------------|------------|
| 1855-New Service      | \$6,289.00 |
| TOTAL                 | \$6,289.00 |

2

3 **Classification:** Safety and Reliability and Continuity of Service / new service

- 4 **Need:** New Service and line improvement
- 5 **Scope:** This work involved connection and improvement of an exisiting line at Marina
- 6 Lalonde

7

#### 8 **Project #17 – New Transformer and meter**

| Account & Description | Amount     |
|-----------------------|------------|
| 1860-Meters           | \$1,376.00 |
| 1860-Meters           | \$3240.00  |
| TOTAL                 | \$4,616.00 |

9

- 10 **Classification:** Safety and Reliability and Continuity of Service
- 11 **Need:** Asset Maintenance

12 Scope: Work for this particular project involved replacement of a meter and13 transformer.

14

15

#### 16 **Project #18 – Office Equipment desk**

| Account & Description | Amount   |
|-----------------------|----------|
| 1915 – office desk    | \$297.00 |
| TOTAL                 | \$297.00 |

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- 1 **Classification:** Safety and Reliability and Continuity of Service
- 2 **Need:** Replace an old desk
- 3 Scope: A new desk was needed for the office
- 4

#### 5 **Project #19-27 – Computer Hardware and Software Upgrade**

| Account & Description            | Amount    |
|----------------------------------|-----------|
| 1920-Computer Equipment Hardware | \$163.35  |
| 1920-Computer Equipment Hardware | \$414.72  |
| 1920-Computer Equipment Hardware | \$123.12  |
| 1920-Computer Equipment Hardware | \$348.74  |
| 1925-Computer Software           | 187.50    |
| 1925-Computer Software           | 113.40    |
| 1925-Computer Software           | 43.20     |
| 1925-Computer Software           | 281.25    |
| 1925-Computer Software           | 189.81    |
| 1925-Computer Software           | 1230.31   |
|                                  |           |
| TOTAL                            | \$3095.40 |

6

7 Classification: Safety and Reliability and Continuity of Service / new service

8 **Need:** Necessary expenses related to computer hardware and software

9 Scope: These computer related expenses. It involved purchases such as; video driver
10 for webex and training courses; battery backup ES series; Printer replacement drum
11 (Brother MFC-9440CN); ACC PAC assistance ; Antivirus; KVM Switch + setup; Harris
12 CWIP.

13

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#### 1

#### **Capital Additions for 2010**

| Account Description                         | USA Acct | Total        |
|---------------------------------------------|----------|--------------|
| Poles, Towers & Fixtures                    | 1830     | \$ 8,839.25  |
| <b>Overhead Conductors &amp; Devices</b>    | 1835     | \$ 25,886.00 |
| <b>Underground Conductors &amp; Devices</b> | 1845     | \$ 220,00    |
| Line Transformers                           | 1850     | \$6,428.00   |
| Services                                    | 1855     | \$5,383.26   |
| Office Furniture and Equipment              | 1860     | \$461.70     |
| Computer Hardware                           | 1915     | \$7,133.01   |
| Computer Software                           | 1925     | \$15,865.94  |
| TOTAL                                       |          | 70,217.00 \$ |

2

#### 3 **Project #1 – Pole Replacement**

| Account & Description     | Amount     |
|---------------------------|------------|
| 1830 – Poles and Fixtures | \$4,000.00 |
| TOTAL                     | \$4,000.00 |

4

#### 5 **Classification:** Safety and Reliability and Continuity of Service

- 6 **Need:** Asset Maintenance
- 7 Scope: Work involved replacement of 2 poles at 130 St-Joseph

8

#### 9 **Project #2 – Pole Replacement**

| Account & Description     | Amount     |
|---------------------------|------------|
| 1830 – Poles and Fixtures | \$1,670.00 |
| TOTAL                     | \$1,670.00 |

- 10
- 11 **Classification:** Safety and Reliability and Continuity of Service
- 12 Need: Asset Maintenance
- 13 Scope: Work involved pole replacement at 295 Water St

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1

#### 2 Project #3 – Install of Fuses and Guard

| Account & Description     | Amount     |
|---------------------------|------------|
| 1830 – Poles and Fixtures | \$3,169.25 |
| TOTAL                     | \$3,169.25 |

3

#### 4 Classification: Safety and Reliability and Continuity of Service

#### 5 Need: Asset Maintenance

6 **Scope:** Work involved replacing fuses and install guards at various locations.

#### 7

#### 8 **Project #4 – Defective insolators**

| Account & Description           | Amount      |
|---------------------------------|-------------|
| 1835 Overhead Conductor Devices | \$1,386.70  |
| 1835 Overhead Conductor Devices | \$14,220.32 |
| TOTAL                           | \$15,607.02 |

9

- 10 **Classification:** Safety and Reliability and Continuity of Service
- 11 **Need:** Asset Maintenance
- 12 **Scope:** Work involved replacement the following; replace defective insolator on primary
- 13 4.8kV on St-Philippe; replace 68lin post insolators.

14

#### 15 **Project #5 – Burnt line clamp**

| Account & Description           | Amount   |
|---------------------------------|----------|
| 1835 Overhead Conductor Devices | \$568.00 |
| TOTAL                           | \$568.00 |

16

17 Classification: Safety and Reliability and Continuity of Service

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#### 1 Need: Asset Maintenance

2 **Scope:** Work involved replacing burnt line clamp and leg on transformer 599 St-Joseph

3

#### 4 **Project #6– Blown lightning Arrestor**

| Account & Description           | Amount   |
|---------------------------------|----------|
| 1835 Overhead Conductor Devices | \$193.00 |
| TOTAL                           | \$193.00 |

5

- 6 **Classification:** Safety and Reliability and Continuity of Service
- 7 Need: Asset Maintenance
- 8 **Scope:** Work involved replacing blown lighting arrestor at 320 St-Joseph

9

#### 10 **Project #7 – Travers installation**

| Account & Description           | Amount     |
|---------------------------------|------------|
| 1835 Overhead Conductor Devices | \$2,204.00 |
| TOTAL                           | \$2,204.00 |

11

- 12 **Classification:** Safety and Reliability and Continuity of Service
- 13 Need: Asset Maintenance
- 14 Scope: Work involved travers pole installation at 805 Station Rd

15

16 Project #5 – Burnt line clamp

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#### 1 **Project #8 – Cable Install**

| Account & Description               | Amount   |
|-------------------------------------|----------|
| 1845 – Underground Conductor Device | \$220.00 |
| TOTAL                               | \$220.00 |

2

#### 3 **Classification:** Safety and Reliability and Continuity of Service

- 4 Need: Asset Maintenance
- 5 **Scope:** Work involved installing cable guard at the corner of Main and Concession.

#### 6

#### 7 **Project #9 – Line improvement**

| Account & Description           | Amount     |
|---------------------------------|------------|
| 1835 Overhead Conductor Devices | \$7,114.00 |
| TOTAL                           | \$7,114.00 |

8

- 9 Classification: Safety and Reliability and Continuity of Service
- 10 Need: Asset Maintenance
- 11 **Scope:** Work involved line improvements at 585 Albert Street and switch install at 145
- 12 Jessops Falls.
- 13

#### 14 **Project #10 – New transformer**

| Account & Description   | Amount   |
|-------------------------|----------|
| 1850 – Line Transformer | \$693.00 |
| TOTAL                   | \$693.00 |

- 16 **Classification:** Safety and Reliability and Continuity of Service
- 17 Need: Asset Maintenance

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1 **Scope:** Work involved installation of a new transformer at St-Victor School

#### 2

#### 3 **Project #11 – New Transformer**

| Account & Description   | Amount   |
|-------------------------|----------|
| 1850 – Line Transformer | \$800.00 |
| TOTAL                   | \$800.00 |

4

- 5 Classification: Safety and Reliability and Continuity of Service
- 6 **Need:** Asset Maintenance
- 7 Scope: Purchase of 2 used transformers from Cooperative Embrun

8

#### 9 **Project #11 – New Transformer/Sproule**

| Account & Description   | Amount    |
|-------------------------|-----------|
| 1850 – Line Transformer | \$4935.00 |
| TOTAL                   | \$4935.00 |

10

- 11 **Classification:** Safety and Reliability and Continuity of Service
- 12 Need: Asset Maintenance
- 13 **Scope:** Purchase of transformers sproule.

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#### 1 Project #12 – New Service

| Account & Description | Amount     |
|-----------------------|------------|
| 1855 – Services       | \$455.50   |
| 1855 – Services       | \$83.25    |
| 1855 – Services       | \$541.00   |
| 1855 – Services       | \$698.75   |
| 1855 – Services       | \$700.00   |
| 1855 – Services       | \$456.50   |
| 1855 – Services       | \$300.00   |
| TOTAL                 | \$3,235.00 |

2

#### 3 **Classification:** Growth

- 4 **Need:** Connection of new services
- 5 **Scope:** Work involved various costs associated with new customer connection.

6

#### 7 **Project #13 – Interval Meters**

| Account & Description | Amount     |
|-----------------------|------------|
| 1855 – Meters         | \$2,148.00 |
| TOTAL                 | \$2,148.00 |

8

9 **Classification:** Safety and Reliability and Continuity of Service

#### 10 Need: Asset Maintenance

11 Scope: Work involved purchase and installation of interval meter for CDECO (school).

12

#### 13 Project #14 – Interval Meters

| Account & Description | Amount   |
|-----------------------|----------|
| 1915-Office Equipment | \$461.70 |
| TOTAL                 | \$461.70 |

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- 1 **Classification:** Safety and Reliability and Continuity of Service
- 2 Need: Safety and Reliability and Continuity of Service
- 3 **Scope:** Purchased of new office equipment.
- 4

#### 5 **Project #15 – Computer hardware Upgrade**

| Account & Description              | Amount     |
|------------------------------------|------------|
| 1920 – Computer Equipment Hardware | \$7,133.00 |
| TOTAL                              | \$7,133.00 |

6

7 **Classification:** Safety and Reliability and Continuity of Service

8 Need: Upgrade of Computer Equipment, new back-up server

9 **Scope:** Hydro 2000 installed a backup service including required software and updates.

10 Hydro 2000 purchased keyboard and mouse for the backup server as well as a printer

11 drum. Also, Harris purchased "NorthStar" and thus Hydro 2000 was forced to convert

12 their billing software to Harris. Although Harris ultimately provided the software free of

13 charge, related costs included the purchase of necessary hardware.

14

15

#### 16 Project #16 – Computer Software Upgrade

| Account & Description    | Amount      |
|--------------------------|-------------|
| 1925 – Computer Software | \$14,300.00 |
| 1925 – Computer Software | \$492.07    |
| 1925 – Computer Software | \$152.55    |
| 1925 – Computer Software | \$386.00    |
| 1925 – Computer Software | \$396.00    |
| 1925 – Computer Software | \$139.32    |
| TOTAL                    | \$15,865.94 |

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- 1 **Classification:** Safety and Reliability and Continuity of Service
- 2 **Need:** Replace Advanced CIS software
- 3 Scope: As mentioned above Harris purchased "NorthStar" and thus Hydro 2000 was
- 4 forced to convert their billing software to Harris. The 2010 related costs included 14,300
- 5 in conversion costs. Amongst other costs were; training and workshops.

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#### **Capital Additions for 2011**

| Account Description                         | USA Acct | Total     |
|---------------------------------------------|----------|-----------|
| Leasehold Improvements                      | 1810     | \$16,028  |
| Poles, Towers & Fixtures                    | 1830     | \$14,424  |
| <b>Overhead Conductors &amp; Devices</b>    | 1835     | \$19,840  |
| <b>Underground Conductors &amp; Devices</b> | 1845     | \$ 0      |
| Line Transformers                           | 1850     | \$5000    |
| Services                                    | 1855     | \$273     |
| Meters                                      | 1860     | \$222     |
| Office Furniture and Equipment              | 1915     | \$6,012   |
| Computer Hardware                           | 1920     | \$3,735   |
| Computer Software                           | 1925     | \$15,402  |
| TOTAL                                       |          | 80,936 \$ |

#### 2

1

#### 3 **Project #1 (and 10)– Office move**

| Account & Description         | Amount   |
|-------------------------------|----------|
| 1810 – Leasehold improvements | \$433    |
| 1810 – Leasehold improvements | \$800    |
| 1810 – Leasehold improvements | \$1,530  |
| 1810 – Leasehold improvements | \$290    |
| 1810 – Leasehold improvements | \$429    |
| 1810 – Leasehold improvements | \$547    |
| 1810 – Leasehold improvements | \$12,000 |
| TOTAL                         | \$16,028 |

4

#### 5 Classification: Safety and Reliability and Continuity of Service

#### 6 Need: Office Space

Scope: The work involved, new office sign, window blinds, paint, floor sealer and wax, Installation phone lines. Included in the 16K was the purchase of a generator for the office (12K). Prior to moving, Hydro 2000 shared its offices with the municipality. The previous office space was approximately 400 square feet. Larger offices were required to accommodate new part time staff. Hydro 2000 also needed a conference room to accommodate the Board of Director meetings that were previously held at the town's community centre.

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1

#### 2 **Project #2 – Pole Replacement**

| Account & Description     | Amount     |
|---------------------------|------------|
| 1830 – Poles and Fixtures | \$7,434.00 |
| TOTAL                     | \$7424.00  |

3

4 Classification: Safety and Reliability and Continuity of Service

#### 5 Need: Asset Maintenance

- 6 Scope: Work involved pole replacement pole replacement 550, St-Philippe (Alfred),
- 7 pole replacement 57 Laniel (Alfred), Install line switch Pine Crest (Plantagenet), Capital
- 8 expenditure 2010 visual inspection. Two other poles needed replacement.

9

#### 10 **Project #3 – Install of Fuses, Guards and Squeeze**

| Account & Description           | Amount   |
|---------------------------------|----------|
| 1835 Overhead Conductor Devices | \$461    |
| 1835 Overhead Conductor Devices | \$380    |
| TOTAL                           | \$19,841 |

11

#### 12 Classification: Safety and Reliability and Continuity of Service

#### 13 Need: Asset Maintenance

Scope: Work involved replacing fuses and install guards at various locations. It also
involved replacement of overhead devices related to the replacement of Poles, Towers
and Fixtures.

17

18

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#### 1 **Project #4 – New Service**

| Account & Description | Amount |
|-----------------------|--------|
| 1855 – Services       | \$273  |
| TOTAL                 | \$273  |

2

#### 3 **Classification:** Growth

- 4 **Need:** Connection of new services
- 5 Scope: Work involved various costs associated with new customer connection at 465
- 6 Nation St (Plantagenet).

7

#### 8 Project #5 – Metering

| Account & Description | Amount |
|-----------------------|--------|
| 1855 – Meters         | \$222  |
| TOTAL                 | \$222  |

- 10 Classification: Safety and Reliability and Continuity of Service
- 11 Need: Asset Maintenance
- 12 **Scope:** Work involved purchase and installation of interval meter for CDECO.

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1

#### 2 Project #6 – Computer Software Upgrade

| Account & Description   | Amount |
|-------------------------|--------|
| 1915 – Office Equipment | \$664  |
| 1915 – Office Equipment | \$2718 |
| 1915 – Office Equipment | \$182  |
| 1915 – Office Equipment | \$145  |
| 1915 – Office Equipment | \$575  |
| 1915 – Office Equipment | \$62   |
| 1915 – Office Equipment | \$844  |
| 1915 – Office Equipment | \$616  |
| 1915 – Office Equipment | \$70   |
| 1915 – Office Equipment | \$134  |
| TOTAL                   | \$6012 |

3

- 4 **Classification:** Safety and Reliability and Continuity of Service
- 5 **Need:** New office equipment to accommodate the new location.
- 6 **Scope:** Various office equipment to accommodate the new location.

7

#### 8 Project #7 – Computer hardware Upgrade

| Account & Description              | Amount  |
|------------------------------------|---------|
| 1920 – Computer Equipment Hardware | \$70    |
| 1920 – Computer Equipment Hardware | \$180   |
| 1920 – Computer Equipment Hardware | \$2,557 |
| 1920 – Computer Equipment Hardware | \$928   |
| TOTAL                              | \$3,735 |

- 10 Classification: Safety and Reliability and Continuity of Service
- 11 **Need:** Upgrade of Computer Equipment, new back-up server
- 12 Scope: This work involved setting up of the board conference room, Replaced power
- 13 supply on computer, screen & computer conference rooms, Tape drive server

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#### 1 **Project #8 – Computer Software Upgrade**

| Account & Description    | Amount   |
|--------------------------|----------|
| 1925 – Computer Software | \$1500   |
| 1925 – Computer Software | \$1541   |
| 1925 – Computer Software | \$2989   |
| 1925 – Computer Software | \$144    |
| 1925 – Computer Software | \$1010   |
| 1925 – Computer Software | \$100    |
| 1925 – Computer Software | \$696    |
| 1925 – Computer Software | \$74     |
| 1925 – Computer Software | \$1406   |
| 1925 – Computer Software | (\$159)  |
| 1925 – Computer Software | \$1500   |
| 1925 – Computer Software | \$1500   |
| 1925 – Computer Software | \$3100   |
| TOTAL                    | \$15,402 |

2

- 3 Classification: Safety and Reliability and Continuity of Service
- 4 Need: Replace Advanced CIS software
- 5 Scope: Harris Upgrade, Update office suite & Norton, ACC Pac update, Software
- 6 purchase, D&A Accpac software, Elenchus, Purchase & Install software, Tape backup,
- 7 Acc pac software, software credit, Website Design.

8

#### 9 **Project #10 – Generator**

| Account & Description      | Amount   |
|----------------------------|----------|
| 1810 Leasehold improvement | \$12,000 |
| TOTAL                      | \$12,000 |

- 11 **Classification:** Safety and Reliability and Continuity of Service
- 12 Need: Backup
- 13 **Scope:** Purchase of a backup generator for the office.

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#### 1 **Project #11 – Transformer**

| Account & Description | Amount  |
|-----------------------|---------|
| 1850 Transformer      | \$5,000 |
| TOTAL                 | \$5,000 |

2

#### 3 **Classification:** Safety and Reliability and Continuity of Service

- 4 Need: Asset Maintenance
- 5 **Scope:** The work involved purchase and replacement of a transformer.

#### 6

#### 7 **Project #12 – Pole Replacement**

| Account & Description    | Amount   |
|--------------------------|----------|
| 1830-Poles and Fixtures  | \$7,000  |
| 1855-Overhead conductors | \$5,000  |
| TOTAL                    | \$12,000 |

8

- 9 Classification: Safety and Reliability and Continuity of Service
- 10 **Need:** Asset Maintenance
- 11 **Scope:** The work involved the replacement of 2 aging/defective poles.
- 12

#### 13 **Project #13 – Maintenance on overhead conductor devices**

| Account & Description    | Amount   |
|--------------------------|----------|
| 1855-Overhead conductors | \$14,000 |
| TOTAL                    | \$14,000 |

- 15 **Classification:** Safety and Reliability and Continuity of Service
- 16 Need: Asset Maintenance

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- 1 Scope: The work involved maintenance of Overhead distribution system following an
- 2 the yearly ESA inspection.

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1

2

#### **Capital Additions for 2012**

| Account Description                      | USA Acct | Total      |
|------------------------------------------|----------|------------|
| Poles, Towers & Fixtures                 | 1830     | \$15,000   |
| <b>Overhead Conductors &amp; Devices</b> | 1835     | \$23,000   |
| Line Transformers                        | 1850     | \$5,000    |
| Office Furniture and Equipment           | 1915     | \$1,000    |
| Computer Hardware                        | 1920     | \$3,000    |
| Computer Software                        | 1925     | \$9,000    |
| TOTAL                                    |          | \$56,000\$ |

3

#### 4 **Project #1 – Pole Replacement**

| Account & Description    | Amount   |
|--------------------------|----------|
| 1830-Poles and Fixtures  | \$15,000 |
| 1855-Overhead conductors | \$13,000 |
| TOTAL                    | \$28,000 |

5

- 6 **Classification:** Safety and Reliability and Continuity of Service
- 7 Need: Asset Maintenance
- 8 **Scope:** Hydro 2000 plans to replace approximately 5 poles in 2012.

9

#### 10 **Project #2 – Maintenance on overhead conductor devices**

| Account & Description    | Amount   |
|--------------------------|----------|
| 1855-Overhead conductors | \$10,000 |
| TOTAL                    | \$10,000 |

- 12 **Classification:** Safety and Reliability and Continuity of Service
- 13 **Need:** Asset Maintenance

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- 1 **Scope:** Hydro 2000 plans on performing maintenance of Overhead distribution system
- 2 following its yearly ESA inspection.

3

#### 4 Project #3 – Transformer

| Account & Description | Amount  |
|-----------------------|---------|
| 1850 Transformer      | \$5,000 |
| TOTAL                 | \$5,000 |

5

- 6 Classification: Safety and Reliability and Continuity of Service
- 7 Need: Asset Maintenance
- 8 **Scope:** the utility budgets for the replacement of 1 transformer for the test year.

9

#### 10 **Project #4 - Office Equipment**

| Account & Description   | Amount |
|-------------------------|--------|
| 1915 – Office Equipment | \$1000 |
| TOTAL                   | \$1000 |

11

- 12 **Classification:** Safety and Reliability and Continuity of Service
- 13 **Need:** Office Equipment

Scope: The utility budgets a nominal amount for the purchase or replacement of officeequipment.

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 2 Tab 4 Schedule 3 Page 27 of 27

#### 1 **Project #5 – Computer Equipment**

| Account & Description     | Amount  |
|---------------------------|---------|
| 1920 – Computer Equipment | \$3,000 |
| TOTAL                     | \$3,000 |

- 2
- 3 **Classification:** Safety and Reliability and Continuity of Service
- 4 **Need:** new laptop
- 5 Scope: The utility budgets for the replacement of the general manager's lap top. The
- 6 general manager's current laptop does not have a big enough hard drive nor enough
- 7 RAM to handle the increase in software and model complexities.

8

#### 9 **Project #6 – Computer Software**

| Account & Description    | Amount  |
|--------------------------|---------|
| 1925 – Computer Software | \$9,000 |
| TOTAL                    | \$9,000 |

10

- 11 Classification: Safety and Reliability and Continuity of Service
- 12 Need: CIS Upgrade
- 13 **Scope:** The utility anticipates an upgrade to its CIS software.

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 2 Tab 5

Exhibit 2: Rate Base

# Tab 5 (of 6): Allowance for Working Capital

### Hydro 2000 (ED-2002-0542) 2012 EDR Application (EB-2011-0326) version: 10 October 10, 2011

# Table 2.5.1 Working Capital Allowance

|                                          | 2008 EDR  | 2008      | 2009      | 2010      | 2011       | 2012       |
|------------------------------------------|-----------|-----------|-----------|-----------|------------|------------|
|                                          | Approved  | Actual    | Actual    | Actual    | Projection | Projection |
| Working Capital Allowance (see below)    | 344,514   | 334,954   | 353,663   | 288,865   | 393,106    | 413,932    |
|                                          |           |           |           |           |            |            |
| Expenses for Working Capital             |           |           |           |           |            |            |
| Eligible Distribution Expenses:          |           |           |           |           |            |            |
| 3500-Distribution Expenses - Operation   | 738       | 463       | 10,097    | 878       | 12,225     | 29,543     |
| 3550-Distribution Expenses - Maintenance | 5,717     | 8,876     | 9,184     | 4,446     | 2,050      | 2,050      |
| 3650-Billing and Collecting              | 94,565    | 89,470    | 94,140    | 102,373   | 121,596    | 127,734    |
| 3700-Community Relations                 |           |           |           |           | 700        | 717        |
| 3800-Administrative and General Expenses | 161,631   | 145,394   | 154,422   | 189,529   | 211,896    | 274,790    |
| 3950-Taxes Other Than Income Taxes       |           |           |           |           |            |            |
| Total Eligible Distribution Expenses     | 262,651   | 244,203   | 267,844   | 297,226   | 348,467    | 434,834    |
| 3350-Power Supply Expenses               | 2,034,110 | 1,988,826 | 2,089,909 | 1,628,541 | 2,272,240  | 2,324,713  |
| Total Expenses for Working Capital       | 2,296,761 | 2,233,029 | 2,357,753 | 1,925,767 | 2,620,707  | 2,759,547  |
| Working Capital factor                   | 15.0%     | 15.0%     | 15.0%     | 15.0%     | 15.0%      | 15.0%      |
| Working Capital Allowance                | 344,514   | 334,954   | 353,663   | 288,865   | 393,106    | 413,932    |

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 2 Tab 5 Schedule 1 Page 1 of 2

1

## Working Capital Allowance by Expense Account

2

Hydro 2000 acknowledges that the Board is reviewing the possibility of asking distributor
to file a lead/lag study to determine in 2013 and beyond.<sup>1</sup>

5

In an attempt to minimize regulatory expenses, Hydro 2000 opted to determine its
working capital allowance by applying the traditional 15% factor to projected eligible
expenses, which consist of power supply expenses and controllable expenses for OM&A
(Operations, Maintenance and Administration).

10

The previous table shows the calculation of the working capital allowance by account, for
the 2012 test year and preceding years since the previous Board-approved amount from
the 2008 Cost of Service.

14

Operating costs tend to be static across the various utilities in Ontario. In example, the cost of rebasing, cost of office furniture or the cost of a computer is the same for a large utility as it is for a small utility such as Hydro 2000. It is important keep in mind that variances for specific accounts can seem exaggerated when they are compared to relatively small overall totals.

20

#### 21 2012 Projection vs 2011 Actual

The projected working capital allowance of \$413K is \$21K higher than the 2011 amount. The variance arises mainly from slightly higher power supply expenses, and higher Administrative and General Expenses due primarily to the cost of rebasing and a provision for conversion to IFRS.

<sup>&</sup>lt;sup>1</sup> Chapter 2 of the Filing Requirements for Transmission and Distribution Applications issued July 22, 2011

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#### 1 2011 Actual vs 2010 Actual

In 2011, the working capital allowance of \$393K was \$104K higher than the 2010
amount. The variance arose from a return to usual expenses in *Load Dispatching* and *Billing and Collecting*.

5

#### 6 2010 Actual vs 2009 Actual

The working capital allowance of \$288K in 2010 Acutal was \$64K lower than the 2009
amount. The variance arose from lower operating expense, specifically *Load Dispatching* and a return back to normal levels in the area of *Administrative and General Expenses*.

#### 11 2009 Actual vs 2008 Actual

In 2009, the working capital allowance of \$354K was \$19K higher than the 2008 amount.
The variance arose mainly from Billing and Collecting going back to its normal levels in
comparison to 2008 Actual. Hydro 2000 also increased its operation expenses to comply
with various regulatory requirements (i.e. Smart Meters) (see Exhibit 4, Tab 3, Schedule
1).

17

#### 18 2008 Actual vs 2008 Board Approved

The working capital allowance of \$334K for 2008 Actual was \$10K lower than the 2008
Board Approved. The variance arose mainly from an unusual decreased in *Billing and Collecting expenses* and *Administrative and General Expenses* (see Exhibit 4, Tab 3,
Schedule 1).

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 2 Tab 6

Exhibit 2: Rate Base

# Tab 6 (of 6): Service Quality and Reliability Performance

### 1 Analysis of Service Quality and Reliability Performance

2

Hydro 2000 reports its service quality indicators ("SQIs") annually to the Ontario Energy
Board. The SQIs are defined in Chapter 7 of the Distribution System Code. Hydro 2000
has met the minimum standards for all SQIs each year, as indicated in the following
table:

7 8

#### **Table 1: Service Quality Indicators**

| Service Quality Indicator                                | Minimum Standard                                                | 2008  | 2009   | 2010  | 2011  | 2012 |
|----------------------------------------------------------|-----------------------------------------------------------------|-------|--------|-------|-------|------|
| Connection of New Services – Low<br>Voltage              | 90% or better                                                   | 100%  | 100%   | 100%  | 100%  |      |
| Connection of New Service – High<br>Voltage              | 90% or better                                                   | 100%  | 100%   | 100%  | 100%  |      |
| Underground Cable Locates                                | 90% or better                                                   | 100%  | N/A    | N/A   | N/A   |      |
| Appointments Met                                         | 90% or better                                                   | 100%  | 100%   | 100%  | 100%  |      |
| Telephone Accessibility                                  | 65% or better                                                   | 99.6% | 99.73% | 99.6% | 99.9% |      |
| Written Response to Enquires                             | 80% or better                                                   | 100%  | 100%   | 100%  | 100%  |      |
| Emergency Response – Urban                               | 80% or better                                                   | 100%  | 100%   | 100%  | 100%  |      |
| Emergency Response – Rural                               | 80% or better                                                   | N/A   | N/A    | N/A   | N/A   |      |
| <b>Reliability Metrics – All interruptions</b>           |                                                                 |       |        |       |       |      |
| SAIDI (System Average Interruption<br>Duration Index)    | Within the range of<br>performance over the<br>previous 3 years | .41   | 10.0   | 2.1   |       |      |
| SAIFA (System Average<br>Interruption Frequency Index)   | Within the range of<br>performance over the<br>previous 3 years | 1.19  | 2.56   | .64   |       |      |
| CAIDI ( Customer Average<br>Interruption Duration Index) | Within the range of<br>performance over the<br>previous 3 years | .35   | 3.9    | 3.29  |       |      |
| Reliability Metrics – Excluding Loss o                   | f Supply                                                        |       |        |       |       |      |
| SAIDI (System Average Interruption<br>Duration Index)    |                                                                 | .41   | 3.86   | 3.24  |       |      |
| SAIFA (System Average<br>Interruption Frequency Index)   |                                                                 | .2    | 1.00   | 1.4   |       |      |
| CAIDI ( Customer Average<br>Interruption Duration Index) |                                                                 | 2.1   | 3.86   | 2.31  |       |      |

<sup>9</sup> 

10 Analysis: Reliability metrics are within acceptable range performance. Interruptions are

11 mainly due to weather related incidents such as storms.

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 3

# Exhibit 3:

# REVENUE

Hydro 2000 Filed:October 10, 2011 EB-2011-0326 Exhibit 3 Tab 1

Exhibit 3: Revenue

# Tab 1 (of 3): Throughput Revenue

Hydro 2000 (ED-2002-0542) 2012 EDR Application (EB-2011-0326) version: 10 October 10, 2011

#### 3.1.1 Volumetric Trend Table

#### Enter historical volume data and projections for 2011-2012

#### CUSTOMERS (CONNECTIONS)

| Customer Class Name             | 2008 EDR | 2008   | 2009   | 2010   | 2010       | 2011       | 2011      | 2012       |
|---------------------------------|----------|--------|--------|--------|------------|------------|-----------|------------|
|                                 | Approved | Actual | Actual | Actual | Normalized | Normalized | Estimated | Normalized |
| Residential                     | 1,018    | 1,018  | 1,027  | 1,041  | 1,034      | 1,047      | 1,047     | 1,061      |
| General Service < 50 kW         | 140      | 140    | 140    | 143    | 142        | 142        | 142       | 142        |
| General Service > 50 to 4999 kW | 12       | 12     | 12     | 12     | 12         | 12         | 12        | 12         |
| Unmetered Scattered Load        | 6        | 6      | 6      | 6      | 6          | 6          | 6         | 6          |
| Street Lighting                 | 368      | 368    | 368    | 368    | 368        | 368        | 368       | 368        |
| TOTAL                           | 1,544    | 1,544  | 1,553  | 1,570  | 1,562      | 1,575      | 1,575     | 1,589      |

#### METERED KILOWATT-HOURS (kWh)

| Customer Class Name             | 2008 EDR   | 2008       | 2009       | 2010       | 2010       | 2011       | 2011       | 2012       |
|---------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Customer Class Name             | Approved   | Actual     | Actual     | Actual     | Normalized | Normalized | Estimated  | Normalized |
| Residential                     | 14,810,998 | 14,810,998 | 15,239,230 | 14,005,778 | 14,658,875 | 14,732,944 | 14,732,944 | 14,703,667 |
| General Service < 50 kW         | 4,755,195  | 4,755,195  | 4,739,499  | 4,472,865  | 4,697,778  | 4,721,515  | 4,721,515  | 4,712,132  |
| General Service > 50 to 4999 kW | 4,779,975  | 4,779,975  | 4,701,848  | 4,309,284  | 4,657,970  | 4,681,506  | 4,681,506  | 4,672,203  |
| Unmetered Scattered Load        | 18,486     | 18,486     | 18,486     | 18,486     | 18,486     | 18,486     | 18,486     | 18,486     |
| Street Lighting                 | 338,189    | 338,189    | 342,383    | 346,706    | 346,706    | 346,706    | 346,706    | 346,706    |
| TOTAL                           | 24,702,843 | 24,702,843 | 25,041,446 | 23,153,119 | 24,379,815 | 24,501,157 | 24,501,157 | 24,453,194 |

#### KILOWATTS (kW)

| Customer Class Name             | 2008 EDR | 2008   | 2009   | 2010   | 2010       | 2011       | 2011      | 2012       |
|---------------------------------|----------|--------|--------|--------|------------|------------|-----------|------------|
|                                 | Approved | Actual | Actual | Actual | Normalized | Normalized | Estimated | Normalized |
| Residential                     |          |        |        |        |            |            |           |            |
| General Service < 50 kW         |          |        |        |        |            |            |           |            |
| General Service > 50 to 4999 kW | 12,030   |        | 12,380 | 10,940 | 11,913     | 11,973     | 11,973    | 11,949     |
| Unmetered Scattered Load        |          |        |        |        |            |            |           |            |
| Street Lighting                 | 940      |        | 965    | 967    | 967        | 967        | 967       | 967        |
| TOTAL                           | 12,970   |        | 13,345 | 11,907 | 12,880     | 12,940     | 12,940    | 12,916     |

| Customer Class Name             | Loss Factor |
|---------------------------------|-------------|
| Residential                     | 1.0664      |
| General Service < 50 kW         | 1.0664      |
| General Service > 50 to 4999 kW | 1.0664      |
| Unmetered Scattered Load        | 1.0664      |
| Street Lighting                 | 1.0664      |

| WHOLESALE kWh's 1 |                                                                     |  |  |  |  |
|-------------------|---------------------------------------------------------------------|--|--|--|--|
| 2011              | 2012                                                                |  |  |  |  |
| Estimated         | Normalized                                                          |  |  |  |  |
| 15,711,211        | 15,679,990                                                          |  |  |  |  |
| 5,035,024         | 5,025,018                                                           |  |  |  |  |
| 4,992,358         | 4,982,437                                                           |  |  |  |  |
| 19,713            | 19,713                                                              |  |  |  |  |
| 369,727           | 369,727                                                             |  |  |  |  |
|                   | 2011<br>Estimated<br>15,711,211<br>5,035,024<br>4,992,358<br>19,713 |  |  |  |  |

<sup>1</sup> Metered kWh's multiplied by Loss Factor

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### Volumetric Trend Table

3 Table 3.1.1 at the previous schedule shows the actual and forecast trends for 4 customer/connection counts, kWh consumption and billed kW demand.

5

1

2

6 Historically, the Residential class shows stable but slow growth in customers.

One the other hand, Residential consumption has shown a slight decrease since 2008.
The reason for this decrease is that in 2009, Enbridge brought natural gas distribution to

9 Alfred and Plantagenet. With the rise in electricity costs, all new customers have opted 10 to heat their homes with natural gas, propane or oil. In essence, although the customer 11 count has show a slight increase, Hydro 2000 has a lost a portion of it winter load to 12 natural gas and other heating options.

13

The customer count for GS<50 kW has changed very little since 2008. This reflects the</li>
stagnant commercial growth in Hydro 2000's service area.

16

The customer count for the GS>50 kW class has also remained steady since 2008.
Hydro 2000 does not anticipate any growth in 2011 and in 2012 for both General Service
classes.

20

Street Lighting connections have also been stable over the period, reflecting the fact that
there has not been a large amount of new development. The number of USL
connections has not changed in a number of years either.

24

The utility load has been fairly steady over the historical period, with average wholesale deliveries (on an actual weather basis) decreasing by approximately 0.2% per cent per year from 2008 to 2012. Further details on the load forecast can be found at Exhibit 3, Tab 1, Schedule 2, Attachment 1.

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### Approach to Weather Normalized Load Forecast

2

1

Attachment 1 is the weather normalized load forecast report prepared by Elenchus Research Associates on behalf of [Utility]. The forecasting approach was selected by Elenchus on the basis of historical data provided by [Utility] and is described in the report.

7

8 The load forecast was developed based on monthly wholesale purchased kWh by the 9 Distribution System from January 2007 to March 2011 (exclusive of losses; i.e., not loss 10 adjusted). Class specific forecasts are not possible at this time for [Utility] due to data 11 constraints (monthly class data is not available). However, monthly wholesale deliveries 12 data are available, and provides a good fit with accurate within sample predictions for 13 the regression model used. It is [Utility]'s understanding that many other LDC distribution 14 rate applications considered by the Board have also used this approach and that this 15 approach has been approved by the Board in the past.

16

17 The methodology predicts wholesale consumption using a multiple regression analysis 18 that relates historical monthly wholesale kWh usage to monthly historical heating degree 19 days and cooling degree days. Historical monthly full-time employment levels are also 20 used to account for regional economic patterns that may influence consumption of 21 electricity within the LDC. For degree days, daily observations as reported at Ottawa 22 (Macdonald-Cartier) International Airport are used. For employment levels, monthly full-23 time employment levels for the Ottawa Economic Region, as reported in Statistics 24 Canada's Monthly Labour Force Survey (CANSIM series v2054772) has been used.

25

Neither the number of peak days nor the number of days in the month yielded
meaningful results in predicting [Utility]'s load. Therefore, these were not included as
explanatory variables.

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The resulting regression equation yields an adjusted R-squared of 0.967. When actual annual wholesale values are compared to annual values predicted by the regression equation, the mean absolute percentage error (MAPE) is 0.7 per cent. More detailed model statistics can be found in the report prepared by Elenchus Research Associates (Attachment 1 to this Schedule).

6

Weather normalized values are determined by using the regression equation with a 10year average monthly degree days (2001-2010). The 10-year average is consistent with
recent years' weather and has been used in other electricity distribution rate applications
and has been accepted by the Board.

11

Allocation to specific weather sensitive rate classes (Residential, GS<50, GS>50) is
based on the average share of each classes' actual retail kWh (exclusive of distribution
losses) of actual wholesale kWh for the 2007 to 2010 period.

15

In order to forecast 2012, an average of 4 chartered banks' economic forecasts that are
available to the public on their corporate web sites is used. These forecasts include
projections for employment growth in Ontario for 2011 and 2012.

19 20

## LOAD FORECAST

This section outlines the load forecast methodology and results used by Hydro2000. The process used to derive the weather normal forecast is similar to the process used and approved for many other LDCs that have applied for COS rebased rates before the Board. It uses data for monthly wholesale deliveries and monthly degree days, as measured at Ottawa International Airport (both heating degree days (HDD) and cooling degree days (CDD) defined by Environment Canada as the number of degrees Celsius the mean daily temperature varies from 18 degrees Celsius). The forecast also uses monthly full-time employment data for the Ottawa Region (the Ottawa Census Metropolitan Area and Ontario Municipalities Adjacent to Ottawa, or OMATO) as reported by Statistics Canada (CANSIM v2054772). Weather normal degree days are defined as the 10-year average degree days for each month for the period 2001 to 2010. Forecast employment levels are based on the average of 4 major chartered banks' most recent employment growth forecasts for Ontario (BMO, RBC, Scotia, and TD).

Class specific forecasts are not possible at this time for Hydro2000 due to data constraints (monthly class data is not available). However, monthly wholesale deliveries data are available, and provides a good fit with accurate within sample predictions for the regression model used. This approach has been used by many LDCs previously.

## HISTORICAL MONTHLY DELIVERIES (KWH)

The following table (Table 1) outlines monthly wholesale deliveries to Hydro2000 from January 2007 to March 2011.

| Table 1: Monthly Actual Wholesale Energy (kWh), Hydro2000 |            |            |            |            |           |  |  |  |  |  |
|-----------------------------------------------------------|------------|------------|------------|------------|-----------|--|--|--|--|--|
|                                                           | 2007       | 2008       | 2009       | 2010       | 2011      |  |  |  |  |  |
| January                                                   | 3,148,407  | 3,026,431  | 3,647,686  | 3,380,770  | 3,248,412 |  |  |  |  |  |
| February                                                  | 3,374,449  | 3,040,547  | 3,338,198  | 2,871,935  | 2,906,604 |  |  |  |  |  |
| March                                                     | 2,787,870  | 3,100,075  | 2,562,227  | 2,173,266  | 2,482,766 |  |  |  |  |  |
| April                                                     | 2,291,603  | 1,870,400  | 2,116,218  | 1,929,408  |           |  |  |  |  |  |
| May                                                       | 1,584,867  | 1,677,002  | 1,698,645  | 1,587,543  |           |  |  |  |  |  |
| June                                                      | 1,556,944  | 1,570,958  | 1,559,204  | 1,504,042  |           |  |  |  |  |  |
| July                                                      | 1,663,043  | 1,558,748  | 1,485,371  | 1,830,363  |           |  |  |  |  |  |
| August                                                    | 1,638,968  | 1,699,816  | 1,711,979  | 1,534,211  |           |  |  |  |  |  |
| September                                                 | 1,591,468  | 1,468,982  | 1,486,702  | 1,482,416  |           |  |  |  |  |  |
| October                                                   | 1,615,161  | 1,821,868  | 2,057,209  | 1,911,319  |           |  |  |  |  |  |
| November                                                  | 2,399,776  | 2,471,486  | 2,123,738  | 2,282,505  |           |  |  |  |  |  |
| December                                                  | 3,481,898  | 3,241,237  | 3,119,975  | 3,124,120  |           |  |  |  |  |  |
| Annual                                                    | 27,134,454 | 26,547,550 | 26,907,152 | 25,611,898 |           |  |  |  |  |  |
| % change                                                  |            | -2.2%      | 1.4%       | -4.8%      |           |  |  |  |  |  |

Using available data, a regression model was estimated in order to predict monthly wholesale energy for Hydro2000. The regression model statistics are presented in the table below (Table 2).

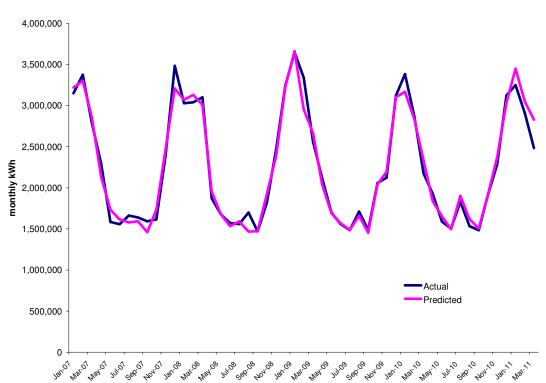
#### Table 2

OLS estimates using the 51 observations 2007:01-2011:03 Dependent variable: Wholesale kWh

Unadjusted  $R^2 = 0.969389$ Adjusted  $R^2 = 0.967435$ F-statistic (3, 47) = 496.1 (p-value = 1.43e-35) Durbin-Watson statistic = 2.12

| Variable      | Coefficient | t-statistic | p-value  |  |
|---------------|-------------|-------------|----------|--|
| const         | 1,155,640   | 25.2065     | <0.00001 |  |
| HDD           | 2603        | 31.1141     | <0.00001 |  |
| CDD           | 4357.89     | 5.4506      | <0.00001 |  |
| d_FTE_OttReg* | 5752.34     | 2.103       | 0.04085  |  |
|               |             |             |          |  |

\*d\_FTE\_OttReg denotes the first difference in the series full-time employment in the Ottawa Region.



Fitted vs. actual observations are plotted in Chart 1 below:

Annual estimates using actual weather are compared to actual values in the table below. Mean absolute percentage error (MAPE) of annual estimates for the period is 0.74% (less than 1%).

| Table 3 – Actual vs. Predicted kWh, Hydro2000 |               |                  |                  |  |  |  |
|-----------------------------------------------|---------------|------------------|------------------|--|--|--|
| Year                                          | Actual kWh    | Predicted kWh    | Absolute % Error |  |  |  |
| 2007                                          | 27,134,454    | 26,898,667       | 0.87%            |  |  |  |
| 2008                                          | 26,547,550    | 26,438,270       | 0.41%            |  |  |  |
| 2009                                          | 26,907,152    | 26,514,925       | 1.46%            |  |  |  |
| 2010                                          | 25,611,898    | 25,664,012       | 0.20%            |  |  |  |
|                                               | Mean Absolute | Percentage Error | 0.74%            |  |  |  |

## FORECASTING USING NORMAL DEGREE DAYS

As indicated above, Hydro2000 has adopted the most recent 10 year average (2001 to 2010) as the definition of weather normal. Many other LDCs have also adopted this definition for the purposes of cost-of-service rebasing, and the Board has approved many applications using this definition.

Chart 1: Hydro2000 Actual vs. Predicted Wholesale kWh



Presented below (Table 4) are monthly HDD and CDD for the 10-year period 2001-2010 observed at Ottawa International Airport (Macdonald-Cartier).

|                                                             |                                                                |                                                              | ŀ                                                                 | leating Deg                                                          | ree Days                                                         |                                                              |                                                                   |                                                               |                                                                 |                                                     |                                                             |                                                                |                                                                         |
|-------------------------------------------------------------|----------------------------------------------------------------|--------------------------------------------------------------|-------------------------------------------------------------------|----------------------------------------------------------------------|------------------------------------------------------------------|--------------------------------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------|-------------------------------------------------------------|----------------------------------------------------------------|-------------------------------------------------------------------------|
|                                                             | 1999                                                           | 2000                                                         | 2001                                                              | 2002                                                                 | 2003                                                             | 2004                                                         | 2005                                                              | 2006                                                          | 2007                                                            | 2008                                                | 2009                                                        | 2010 0                                                         | 1-'10 avg                                                               |
| Jan                                                         | 875.4                                                          | 875.3                                                        | 848.2                                                             | 709.4                                                                | 977.3                                                            | 1,045.3                                                      | 920.7                                                             | 733.5                                                         | 797.1                                                           | 754.2                                               | 979.5                                                       | 789.2                                                          | 855.4                                                                   |
| Feb                                                         | 670.9                                                          | 728.2                                                        | 746.8                                                             | 668.8                                                                | 841.5                                                            | 750.0                                                        | 700.6                                                             | 720.9                                                         | 820.0                                                           | 774.3                                               | 711.5                                                       | 655.8                                                          | 739.0                                                                   |
| Mar                                                         | 645.7                                                          | 502.3                                                        | 652.3                                                             | 651.7                                                                | 675.0                                                            | 559.2                                                        | 668.8                                                             | 600.4                                                         | 643.0                                                           | 721.1                                               | 598.3                                                       | 460.7                                                          | 623.1                                                                   |
| Apr                                                         | 336.8                                                          | 391.0                                                        | 338.1                                                             | 358.8                                                                | 424.6                                                            | 377.8                                                        | 324.8                                                             | 321.6                                                         | 361.1                                                           | 299.6                                               | 334.3                                                       | 258.1                                                          | 339.9                                                                   |
| May                                                         | 83.3                                                           | 152.0                                                        | 109.6                                                             | 227.6                                                                | 154.1                                                            | 166.2                                                        | 205.0                                                             | 128.2                                                         | 157.3                                                           | 185.4                                               | 181.6                                                       | 112.3                                                          | 162.7                                                                   |
| Jun                                                         | 20.3                                                           | 63.2                                                         | 25.5                                                              | 61.7                                                                 | 38.9                                                             | 54.0                                                         | 16.1                                                              | 27.6                                                          | 34.2                                                            | 22.4                                                | 50.4                                                        | 37.6                                                           | 36.8                                                                    |
| Jul                                                         | 3.8                                                            | 12.2                                                         | 21.6                                                              | 5.3                                                                  | 2.0                                                              | 1.8                                                          | 2.9                                                               | 0.3                                                           | 11.8                                                            | 0.3                                                 | 13.1                                                        | 4.5                                                            | 6.4                                                                     |
| Aug                                                         | 14.8                                                           | 18.3                                                         | 4.7                                                               | 6.8                                                                  | 13.3                                                             | 29.8                                                         | 8.4                                                               | 18.2                                                          | 20.1                                                            | 14.4                                                | 26.1                                                        | 14.7                                                           | 15.7                                                                    |
| Sep                                                         | 65.8                                                           | 138.1                                                        | 89.9                                                              | 56.9                                                                 | 60.4                                                             | 66.8                                                         | 59.2                                                              | 121.0                                                         | 76.0                                                            | 95.4                                                | 106.5                                                       | 112.0                                                          | 84.4                                                                    |
| Oct                                                         | 321.5                                                          | 290.8                                                        | 266.0                                                             | 370.0                                                                | 336.6                                                            | 287.0                                                        | 269.7                                                             | 335.7                                                         | 227.5                                                           | 321.8                                               | 355.5                                                       | 311.0                                                          | 308.1                                                                   |
| Nov                                                         | 406.7                                                          | 489.4                                                        | 410.1                                                             | 535.2                                                                | 468.8                                                            | 484.3                                                        | 484.2                                                             | 417.3                                                         | 517.0                                                           | 502.8                                               | 417.4                                                       | 491.6                                                          | 472.9                                                                   |
| Dec                                                         | 691.8                                                          | 882.6                                                        | 602.2                                                             | 728.3                                                                | 722.2                                                            | 814.9                                                        | 762.0                                                             | 610.0                                                         | 787.7                                                           | 796.7                                               | 759.4                                                       | 731.4                                                          | 731.5                                                                   |
| Total                                                       | 4,136.8                                                        | 4,543.4                                                      | 4,115.0                                                           | 4,380.5                                                              | 4,714.7                                                          | 4,637.1                                                      | 4,422.4                                                           | 4,034.7                                                       | 4,452.8                                                         | 4,488.4                                             | 4,533.6                                                     | 3,978.9                                                        | 4,375.8                                                                 |
|                                                             |                                                                |                                                              |                                                                   |                                                                      |                                                                  |                                                              |                                                                   |                                                               |                                                                 |                                                     |                                                             |                                                                |                                                                         |
|                                                             |                                                                |                                                              |                                                                   | Dealing Dea                                                          |                                                                  |                                                              |                                                                   |                                                               |                                                                 |                                                     |                                                             |                                                                |                                                                         |
|                                                             | 1000                                                           | 2000                                                         |                                                                   | Cooling Deg                                                          |                                                                  | 2004                                                         | 2005                                                              | 2006                                                          | 2007                                                            | 2008                                                | 2000                                                        | 2010 0                                                         | 1 '10 ove                                                               |
|                                                             | 1999                                                           | 2000                                                         | 2001                                                              | 2002                                                                 | 2003                                                             | 2004                                                         | 2005                                                              | 2006                                                          | 2007                                                            | 2008                                                | 2009                                                        |                                                                | 1-'10 avg                                                               |
| Jan                                                         | 0                                                              | 0                                                            | 2001<br>0                                                         | 2002<br>0                                                            | 2003<br>0                                                        | 0                                                            | 0                                                                 | 0                                                             | 0                                                               | 0                                                   | 0                                                           | 0                                                              | 0.0                                                                     |
| Feb                                                         | 0                                                              | 0                                                            | 2001<br>0<br>0                                                    | 2002<br>0<br>0                                                       | 2003<br>0<br>0                                                   | 0<br>0                                                       | 0                                                                 | 0                                                             | 0<br>0                                                          | 0                                                   | 0                                                           | 0<br>0                                                         | 0.0<br>0.0                                                              |
| Feb<br>Mar                                                  | 0<br>0<br>0                                                    | 0<br>0<br>0                                                  | 2001<br>0<br>0<br>0                                               | 2002<br>0<br>0<br>0                                                  | 2003<br>0<br>0<br>0                                              | 0<br>0<br>0                                                  | 0<br>0<br>0                                                       | 0<br>0<br>0                                                   | 0<br>0<br>0                                                     | 0<br>0<br>0                                         | 0<br>0<br>0                                                 | 0<br>0<br>0                                                    | 0.0<br>0.0<br>0.0                                                       |
| Feb<br>Mar<br>Apr                                           | 0<br>0<br>0<br>0                                               | 0<br>0<br>0<br>0                                             | 2001<br>0<br>0<br>0<br>0                                          | 2002<br>0<br>0<br>0<br>10.3                                          | 2003<br>0<br>0<br>0<br>0                                         | 0<br>0<br>0<br>1.9                                           | 0<br>0<br>0<br>0                                                  | 0<br>0<br>0<br>0                                              | 0<br>0<br>0<br>0                                                | 0<br>0<br>0<br>0                                    | 0<br>0<br>0<br>2.5                                          | 0<br>0<br>1.6                                                  | 0.0<br>0.0<br>0.0<br>1.6                                                |
| Feb<br>Mar<br>Apr<br>May                                    | 0<br>0<br>0<br>31.3                                            | 0<br>0<br>0<br>2.8                                           | 2001<br>0<br>0<br>0<br>13.7                                       | 2002<br>0<br>0<br>10.3<br>6.5                                        | 2003<br>0<br>0<br>0<br>0<br>0<br>0.1                             | 0<br>0<br>1.9<br>4                                           | 0<br>0<br>0<br>0<br>1.9                                           | 0<br>0<br>0<br>0<br>16.9                                      | 0<br>0<br>0<br>17.3                                             | 0<br>0<br>0<br>0<br>0                               | 0<br>0<br>2.5<br>3.2                                        | 0<br>0<br>1.6<br>38.2                                          | 0.0<br>0.0<br>0.0<br>1.6<br>10.2                                        |
| Feb<br>Mar<br>Apr<br>May<br>Jun                             | 0<br>0<br>0<br>31.3<br>99.6                                    | 0<br>0<br>0<br>2.8<br>30.7                                   | 2001<br>0<br>0<br>0<br>13.7<br>75.9                               | 2002<br>0<br>0<br>10.3<br>6.5<br>39.5                                | 2003<br>0<br>0<br>0<br>0<br>0.1<br>54.8                          | 0<br>0<br>1.9<br>4<br>27.1                                   | 0<br>0<br>0<br>1.9<br>111.6                                       | 0<br>0<br>0<br>16.9<br>48.2                                   | 0<br>0<br>0<br>17.3<br>66.9                                     | 0<br>0<br>0<br>0<br>60.5                            | 0<br>0<br>2.5<br>3.2<br>44.9                                | 0<br>0<br>1.6<br>38.2<br>33.4                                  | 0.0<br>0.0<br>1.6<br>10.2<br>56.3                                       |
| Feb<br>Mar<br>Apr<br>May<br>Jun<br>Jul                      | 0<br>0<br>0<br>31.3<br>99.6<br>141.7                           | 0<br>0<br>0<br>2.8<br>30.7<br>58.6                           | 2001<br>0<br>0<br>13.7<br>75.9<br>78.4                            | 2002<br>0<br>0<br>10.3<br>6.5<br>39.5<br>121                         | 2003<br>0<br>0<br>0<br>0.1<br>54.8<br>90.1                       | 0<br>0<br>1.9<br>4<br>27.1<br>86.5                           | 0<br>0<br>0<br>1.9<br>111.6<br>128.6                              | 0<br>0<br>0<br>16.9<br>48.2<br>130.6                          | 0<br>0<br>0<br>17.3<br>66.9<br>65.1                             | 0<br>0<br>0<br>0<br>60.5<br>78.9                    | 0<br>0<br>2.5<br>3.2<br>44.9<br>42.9                        | 0<br>0<br>1.6<br>38.2<br>33.4<br>150.8                         | 0.0<br>0.0<br>1.6<br>10.2<br>56.3<br>97.3                               |
| Feb<br>Mar<br>Apr<br>May<br>Jun<br>Jul<br>Aug               | 0<br>0<br>31.3<br>99.6<br>141.7<br>57.6                        | 0<br>0<br>2.8<br>30.7<br>58.6<br>60.1                        | 2001<br>0<br>0<br>13.7<br>75.9<br>78.4<br>127.5                   | 2002<br>0<br>0<br>10.3<br>6.5<br>39.5<br>121<br>106.5                | 2003<br>0<br>0<br>0<br>0.1<br>54.8<br>90.1<br>106.2              | 0<br>0<br>1.9<br>4<br>27.1<br>86.5<br>47.5                   | 0<br>0<br>1.9<br>111.6<br>128.6<br>115.4                          | 0<br>0<br>16.9<br>48.2<br>130.6<br>68.1                       | 0<br>0<br>17.3<br>66.9<br>65.1<br>79.3                          | 0<br>0<br>0<br>60.5<br>78.9<br>49.5                 | 0<br>0<br>2.5<br>3.2<br>44.9<br>42.9<br>82.1                | 0<br>0<br>1.6<br>38.2<br>33.4<br>150.8<br>93                   | 0.0<br>0.0<br>1.6<br>10.2<br>56.3<br>97.3<br>87.5                       |
| Feb<br>Mar<br>Apr<br>May<br>Jun<br>Jul<br>Aug<br>Sep        | 0<br>0<br>0<br>31.3<br>99.6<br>141.7<br>57.6<br>49.6           | 0<br>0<br>2.8<br>30.7<br>58.6<br>60.1<br>13.7                | 2001<br>0<br>0<br>13.7<br>75.9<br>78.4<br>127.5<br>25.9           | 2002<br>0<br>0<br>10.3<br>6.5<br>39.5<br>121<br>106.5<br>51.4        | 2003<br>0<br>0<br>0<br>0.1<br>54.8<br>90.1<br>106.2<br>23.7      | 0<br>0<br>1.9<br>4<br>27.1<br>86.5<br>47.5<br>11.1           | 0<br>0<br>0<br>1.9<br>111.6<br>128.6<br>115.4<br>33.1             | 0<br>0<br>0<br>16.9<br>48.2<br>130.6<br>68.1<br>5.3           | 0<br>0<br>0<br>17.3<br>66.9<br>65.1<br>79.3<br>25.7             | 0<br>0<br>0<br>60.5<br>78.9<br>49.5<br>25           | 0<br>0<br>2.5<br>3.2<br>44.9<br>42.9<br>82.1<br>5           | 0<br>0<br>1.6<br>38.2<br>33.4<br>150.8<br>93<br>26.2           | 0.0<br>0.0<br>1.6<br>10.2<br>56.3<br>97.3<br>87.5<br>23.2               |
| Feb<br>Mar<br>Apr<br>May<br>Jun<br>Jul<br>Aug<br>Sep<br>Oct | 0<br>0<br>0<br>31.3<br>99.6<br>141.7<br>57.6<br>49.6<br>0      | 0<br>0<br>0<br>2.8<br>30.7<br>58.6<br>60.1<br>13.7<br>0      | 2001<br>0<br>0<br>13.7<br>75.9<br>78.4<br>127.5<br>25.9<br>0      | 2002<br>0<br>0<br>10.3<br>6.5<br>39.5<br>121<br>106.5<br>51.4<br>4.1 | 2003<br>0<br>0<br>0<br>0.1<br>54.8<br>90.1<br>106.2<br>23.7<br>0 | 0<br>0<br>1.9<br>4<br>27.1<br>86.5<br>47.5<br>11.1<br>0      | 0<br>0<br>0<br>1.9<br>111.6<br>128.6<br>115.4<br>33.1<br>6.4      | 0<br>0<br>0<br>16.9<br>48.2<br>130.6<br>68.1<br>5.3<br>0      | 0<br>0<br>0<br>17.3<br>66.9<br>65.1<br>79.3<br>25.7<br>1.9      | 0<br>0<br>0<br>60.5<br>78.9<br>49.5<br>25<br>0      | 0<br>0<br>2.5<br>3.2<br>44.9<br>42.9<br>82.1<br>5<br>0      | 0<br>0<br>1.6<br>38.2<br>33.4<br>150.8<br>93<br>26.2<br>0      | 0.0<br>0.0<br>1.6<br>10.2<br>56.3<br>97.3<br>87.5<br>23.2<br>1.2        |
| Feb<br>Mar<br>Apr<br>Jun<br>Jul<br>Aug<br>Sep<br>Oct<br>Nov | 0<br>0<br>0<br>31.3<br>99.6<br>141.7<br>57.6<br>49.6<br>0<br>0 | 0<br>0<br>0<br>2.8<br>30.7<br>58.6<br>60.1<br>13.7<br>0<br>0 | 2001<br>0<br>0<br>13.7<br>75.9<br>78.4<br>127.5<br>25.9<br>0<br>0 | 2002<br>0<br>10.3<br>39.5<br>121<br>106.5<br>51.4<br>4.1<br>0        | 2003<br>0<br>0<br>0.1<br>54.8<br>90.1<br>106.2<br>23.7<br>0<br>0 | 0<br>0<br>1.9<br>4<br>27.1<br>86.5<br>47.5<br>11.1<br>0<br>0 | 0<br>0<br>0<br>1.9<br>111.6<br>128.6<br>115.4<br>33.1<br>6.4<br>0 | 0<br>0<br>0<br>16.9<br>48.2<br>130.6<br>68.1<br>5.3<br>0<br>0 | 0<br>0<br>0<br>17.3<br>66.9<br>65.1<br>79.3<br>25.7<br>1.9<br>0 | 0<br>0<br>0<br>60.5<br>78.9<br>49.5<br>25<br>0<br>0 | 0<br>0<br>2.5<br>3.2<br>44.9<br>42.9<br>82.1<br>5<br>0<br>0 | 0<br>0<br>1.6<br>38.2<br>33.4<br>150.8<br>93<br>26.2<br>0<br>0 | 0.0<br>0.0<br>1.6<br>10.2<br>56.3<br>97.3<br>87.5<br>23.2<br>1.2<br>0.0 |
| Feb<br>Mar<br>Apr<br>May<br>Jun<br>Jul<br>Aug<br>Sep<br>Oct | 0<br>0<br>0<br>31.3<br>99.6<br>141.7<br>57.6<br>49.6<br>0      | 0<br>0<br>0<br>2.8<br>30.7<br>58.6<br>60.1<br>13.7<br>0      | 2001<br>0<br>0<br>13.7<br>75.9<br>78.4<br>127.5<br>25.9<br>0      | 2002<br>0<br>0<br>10.3<br>6.5<br>39.5<br>121<br>106.5<br>51.4<br>4.1 | 2003<br>0<br>0<br>0<br>0.1<br>54.8<br>90.1<br>106.2<br>23.7<br>0 | 0<br>0<br>1.9<br>4<br>27.1<br>86.5<br>47.5<br>11.1<br>0      | 0<br>0<br>0<br>1.9<br>111.6<br>128.6<br>115.4<br>33.1<br>6.4      | 0<br>0<br>0<br>16.9<br>48.2<br>130.6<br>68.1<br>5.3<br>0      | 0<br>0<br>0<br>17.3<br>66.9<br>65.1<br>79.3<br>25.7<br>1.9      | 0<br>0<br>0<br>60.5<br>78.9<br>49.5<br>25<br>0      | 0<br>0<br>2.5<br>3.2<br>44.9<br>42.9<br>82.1<br>5<br>0      | 0<br>0<br>1.6<br>38.2<br>33.4<br>150.8<br>93<br>26.2<br>0      | 0.0<br>0.0<br>1.6<br>10.2<br>56.3<br>97.3<br>87.5<br>23.2<br>1.2        |

#### Table 4 –10-yr average (1999-2008) HDD and CDD, Ottawa Macdonald-Cartier Int'l Airport

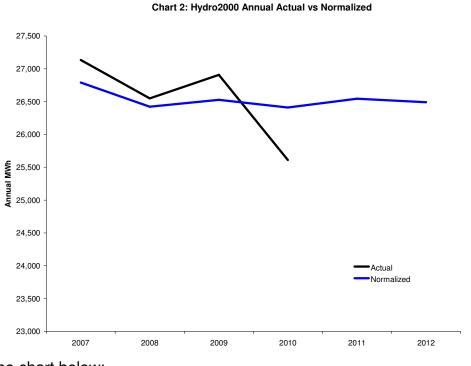
Forecasts for Ontario's employment outlook for 2011 and 2012 are available from four Canadian Chartered Banks at time of writing. Their forecasts are summarized below.

|      |             | - Employment Fore     |                |             |     |
|------|-------------|-----------------------|----------------|-------------|-----|
|      | (tig        | gures in annual perce | entage change) |             |     |
|      | BMO         | RBC                   | Scotia         | TD          | Avg |
|      | (Jan, 2011) | (May 11, 2011)        | (May 3, 2011)  | (Mar ,2011) |     |
| 2011 | 1.1         | 2.1                   | 1.6            | 1.9         | 1.7 |
| 2012 | 1.3         | 2.1                   | 1.1            | 1.4         | 1.5 |

Incorporating the forecast employment and weather normal degree days using the regression model displayed in table 2, the following weather corrected consumption and forecast values are calculated:

|       | Table 6 - Weather Corrected Wholesale kWh, Hydro2000 |       |                |       |  |  |  |  |  |  |
|-------|------------------------------------------------------|-------|----------------|-------|--|--|--|--|--|--|
|       | 10-yr (1999-2008)                                    |       |                |       |  |  |  |  |  |  |
| Year  | Actual Wholesale kWh                                 | %chg  | Weather Normal | %chg  |  |  |  |  |  |  |
| 2007  | 27,134,454                                           |       | 26,790,447     |       |  |  |  |  |  |  |
| 2008  | 26,547,550                                           | -2.2% | 26,421,722     | -1.4% |  |  |  |  |  |  |
| 2009  | 26,907,152                                           | 1.4%  | 26,525,840     | 0.4%  |  |  |  |  |  |  |
| 2010  | 25,611,898                                           | -4.8% | 26,410,218     | -0.4% |  |  |  |  |  |  |
| 2011F |                                                      |       | 26,543,664     | 0.5%  |  |  |  |  |  |  |
| 2012F |                                                      |       | 26,490,916     | -0.2% |  |  |  |  |  |  |

Annual actual wholesale kWh compared to normalized and predicted are displayed in



the chart below:

## ALLOCATION TO SPECIFIC CLASSES

The following table (Table 7) presents class specific weather normal historic and forecast values for those classes that have weather sensitive load. Class specific kWh consumption for weather sensitive classes is allocated based on the 2007 to 2010 average of each class' share in wholesale kWh, exclusive of distribution losses.

| Table 7 | Table 7 – Actual, Normalized and Forecast Class kWh, Hydro2000 |       |                |       |  |  |  |  |  |
|---------|----------------------------------------------------------------|-------|----------------|-------|--|--|--|--|--|
| Year    | Actual residential kWh                                         | % chg | Weather Normal | % chg |  |  |  |  |  |
| 2007    | 14,898,655                                                     |       | 14,869,920     |       |  |  |  |  |  |
| 2008    | 14,810,998                                                     | -0.6% | 14,665,261     | -1.4% |  |  |  |  |  |
| 2009    | 15,239,230                                                     | 2.9%  | 14,723,051     | 0.4%  |  |  |  |  |  |
| 2010    | 14,005,778                                                     | -8.1% | 14,658,875     | -0.4% |  |  |  |  |  |
| 2011F   |                                                                |       | 14,732,944     | 0.5%  |  |  |  |  |  |
| 2012F   |                                                                |       | 14,703,667     | -0.2% |  |  |  |  |  |
| Year    | Actual GS<50 kWh                                               | % chg | Weather Normal |       |  |  |  |  |  |
| 2007    | 4,927,790                                                      |       | 4,765,412      |       |  |  |  |  |  |
| 2008    | 4,755,195                                                      | -3.5% | 4,699,824      | -1.4% |  |  |  |  |  |
| 2009    | 4,739,499                                                      | -0.3% | 4,718,344      | 0.4%  |  |  |  |  |  |
| 2010    | 4,472,865                                                      | -5.6% | 4,697,778      | -0.4% |  |  |  |  |  |
| 2011F   |                                                                |       | 4,721,515      | 0.5%  |  |  |  |  |  |
| 2012F   |                                                                |       | 4,712,132      | -0.2% |  |  |  |  |  |
| Year    | Actual GS>50 kWh                                               | % chg | Weather Normal |       |  |  |  |  |  |
| 2007    | 4,950,140                                                      |       | 4,725,031      |       |  |  |  |  |  |
| 2008    | 4,779,975                                                      | -3.4% | 4,659,999      | -1.4% |  |  |  |  |  |
| 2009    | 4,701,848                                                      | -1.6% | 4,678,363      | 0.4%  |  |  |  |  |  |
| 2010    | 4,309,284                                                      | -8.3% | 4,657,970      | -0.4% |  |  |  |  |  |
| 2011F   |                                                                |       | 4,681,506      | 0.5%  |  |  |  |  |  |
| 2012F   |                                                                |       | 4,672,203      | -0.2% |  |  |  |  |  |

Actual, normalized and forecast kW for the weather sensitive GS>50 class are summarized in Table 8 below. Normalized values are calculated based on the average annual ratio of class kW to class kWh for 2007 to 2010.

| Year  | Actual kW | Class kW/kWh ratio | Normalized kW | % change |
|-------|-----------|--------------------|---------------|----------|
| 2007  | 12,582    | 0.00254            | 12,085        |          |
| 2008  | 12,030    | 0.00252            | 11,918        | -1.4%    |
| 2009  | 12,380    | 0.00263            | 11,965        | 0.4%     |
| 2010  | 10,940    | 0.00254            | 11,913        | -0.4%    |
| 2011F |           | 0.00256            | 11,973        | 0.5%     |
| 2012F |           |                    | 11,949        | -0.2%    |

Table 9 presents actual and forecast kWh and kW for Street Lighting, and kWh for USL, both of which are not weather sensitive. The forecast throughput for Street Lighting and

USL classes is not expected to change as no changes to the number of customer connections is anticipated in 2011 or 2012.

## Table 9 – Hydro2000 Street Lights and USL

|       | Street  | •    | USL |      |        |      |
|-------|---------|------|-----|------|--------|------|
| Year  | kWh     | %    | kW  | %    | kWh    | %    |
| 2007  | 332,714 |      | 927 |      | 18,486 |      |
| 2008  | 338,189 | 1.6% | 940 | 1.4% | 18,486 | 0.0% |
| 2009  | 342,383 | 1.2% | 965 | 2.7% | 18,486 | 0.0% |
| 2010  | 346,706 | 1.3% | 967 | 0.2% | 18,486 | 0.0% |
| 2011F | 346,706 | 0.0% | 967 | 0.0% | 18,486 | 0.0% |
| 2012F | 346,706 | 0.0% | 967 | 0.0% | 18,486 | 0.0% |

Table 10 summarizes the results load forecast results for specific classes.

| Iable               | Table 10 – Load Forecast (Historical, Bridge and Test Teals). |                 |                  |                  |  |  |  |  |
|---------------------|---------------------------------------------------------------|-----------------|------------------|------------------|--|--|--|--|
|                     | 2010 Actual                                                   | 2010 Normalized | 2011f Normalized | 2012f Normalized |  |  |  |  |
| Residential (kWh)   | 14,005,778                                                    | 14,658,875      | 14,732,944       | 14,703,667       |  |  |  |  |
| GS<50 (kWh)         | 4,472,865                                                     | 4,697,778       | 4,721,515        | 4,712,132        |  |  |  |  |
| GS>50 (kWh)         | 4,309,284                                                     | 4,657,970       | 4,681,506        | 4,672,203        |  |  |  |  |
| (kW)                | 10,940                                                        | 11,913          | 11,973           | 11,949           |  |  |  |  |
| Street Lights (kWh) | 346,706                                                       | 346,706         | 346,706          | 346,706          |  |  |  |  |
| (kW)                | 967                                                           | 967             | 967              | 967              |  |  |  |  |
| USL (kWh)           | 18,486                                                        | 18,486          | 18,486           | 18,486           |  |  |  |  |
| Total Retail kWh    | 23,153,119                                                    | 24,379,815      | 24,501,157       | 24,453,194       |  |  |  |  |

## Table 10 – Load Forecast (Historical, Bridge and Test Years).

## **CUSTOMER FORECAST**

Historic customer figures on an annual basis are presented below, along with projections for the 2011 bridge year and 2012 test year.

New Residential connections in 2011 and 2012 are projected to grow at 1.3% (13 and 14 new attachments, respectively). This is consistent with the recent historical growth (except for 2010 with 11 new attachments) and is also consistent with population growth projections for the Prescott and Russell OMATO municipality available from the City of Ottawa.<sup>1</sup>

<sup>&</sup>lt;sup>1</sup> Available at <u>http://www.ottawa.ca/residents/statistics/new\_growth/projections/population/omato\_en.html</u>

## Table 11 – Annual Customer Connections – Hydro2000

| Year-End | Residential | %chg | GS<50 | %chg | GS>50 | %chg | Street Light | %chg | USL |
|----------|-------------|------|-------|------|-------|------|--------------|------|-----|
| 2007     | 1,001       |      | 140   |      | 12    |      | 368          |      | 6   |
| 2008     | 1,018       | 1.7% | 140   | 0.0% | 12    | 0.0% | 368          | 0.0% | 6   |
| 2009     | 1,027       | 0.9% | 140   | 0.0% | 12    | 0.0% | 368          | 0.0% | 6   |
| 2010     | 1,041       | 1.4% | 143   | 2.1% | 12    | 0.0% | 368          | 0.0% | 6   |

| Annual<br>Average | Residential | %chg | GS<50 | %chg | GS>50 | %chg | Street Light | %chg | USL |
|-------------------|-------------|------|-------|------|-------|------|--------------|------|-----|
| 2008              | 1,010       |      | 140   |      | 12    |      | 368          |      | 6   |
| 2009              | 1,023       | 1.3% | 140   | 0.0% | 12    | 0.0% | 368          | 0.0% | 6   |
| 2010              | 1,034       | 1.1% | 142   | 1.4% | 12    | 0.0% | 368          | 0.0% | 6   |
| 2011f             | 1,047       | 1.3% | 142   | 0.0% | 12    | 0.0% | 368          | 0.0% | 6   |
| 2012f             | 1,061       | 1.3% | 142   | 0.0% | 12    | 0.0% | 368          | 0.0% | 6   |

Actual and normalized average use per customer, by class, are presented below.

#### Table 12 – Average Use, Hydro2000

kWh Use Per Customer (Annual Use / Average Customers) Weather Actual

| Year           | Residential | GS<50  | GS>50   | Street | USL   |
|----------------|-------------|--------|---------|--------|-------|
| 2008           | 14,664      | 33,966 | 398,331 | 919    | 3,081 |
| 2009           | 14,897      | 33,854 | 391,821 | 930    | 3,081 |
| 2010           | 13,545      | 31,499 | 359,107 | 942    | 3,081 |
| Weather Normal |             |        |         |        |       |
| Year           | Residential | GS<50  | GS>50   | Street | USL   |
| 2008           | 14,520      | 33,570 | 388,333 | 919    | 3,081 |
| 2009           | 14,392      | 33,702 | 389,864 | 930    | 3,081 |
| 2010           | 14,177      | 33,083 | 388,164 | 942    | 3,081 |
| 2011           | 14,072      | 33,250 | 390,126 | 942    | 3,081 |
| 2012           | 13,858      | 33,184 | 389,350 | 942    | 3,081 |

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## Pass-Through Charges

Attachment 1 shows the estimated power supply expenses for 2011 and 2012. Hydro 2000 is an embedded distributor of Hydro One Networks Inc. ("HONI") and is charged monthly by HONI for its power supply expenses.

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Pass-through charges for power supply include commodity, retail transmission services,
wholesale market service, rural rate protection and low voltage service. Debt retirement
charges are not included. A total loss factor applies to forecast retail volumes for all
pass-through charges other than low voltage service, when the billing determinant is
kWh. The calculation of total loss factors is described in Exhibit 8, Tab 3, Schedule 5.

### 12 Commodity Price

The assumed commodity prices are based on the Regulated Price Plan ("RPP") Report issued by the OEB on April 19, 2011. The estimated price for RPP customers corresponds to the average supply cost for RPP customers specified in the report's Table ES-1. For non-RPP customers, the estimated price was based on the term average of the Hourly Ontario Electricity Price ("HOEP") for the 2011-2012 rate year (Table 1 in the report), plus the Global Adjustment (from Table ES-1).

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## Table 1: 2011 Commodity Price Forecasts

|                           | \$/MWh  | \$/kWh    |
|---------------------------|---------|-----------|
| HOEP Forecast             | \$36.66 | \$0.04015 |
| Global Adjustment         | \$27.72 | \$0.02822 |
| Forecast for non-RPP load | \$64.38 | \$0.06837 |
| Forecast for RPP load     | \$69.38 | \$0.07298 |

20

21 A weighted average commodity price was estimated on the basis on actual 2010 kWh's

for RPP, MUSH<sup>1</sup> and other non-RPP customers:

<sup>&</sup>lt;sup>1</sup> Municipalities, Universities, Schools and Hospital sector

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|                                 |            | 2010 ACTUAL<br>kWh's |            |  |  |  |  |  |
|---------------------------------|------------|----------------------|------------|--|--|--|--|--|
| Customer Class Name             | Total      | non-RPP              | RPP        |  |  |  |  |  |
| Residential                     | 14,005,778 | 564,448              | 13,441,330 |  |  |  |  |  |
| General Service < 50 kW         | 4,472,865  | 62,265               | 4,410,600  |  |  |  |  |  |
| General Service > 50 to 4999 kW | 4,309,284  | 4,309,284            |            |  |  |  |  |  |
| Unmetered Scattered Load        | 18,486     |                      | 18,486     |  |  |  |  |  |
| Street Lighting                 | 346,706    | 18,486               | 328,220    |  |  |  |  |  |
| TOTAL                           | 23,153,119 | 4,954,483            | 18,198,636 |  |  |  |  |  |
| %                               | 100.00%    | 21.40%               | 78.60%     |  |  |  |  |  |
| Forecast Price                  |            |                      |            |  |  |  |  |  |
| HOEP (\$/MWh)                   |            | \$36.60              |            |  |  |  |  |  |
| Global Adjustment (\$/MWh)      |            | \$27.72              |            |  |  |  |  |  |
| TOTAL (\$/MWh)                  |            | \$64.32              | \$69.38    |  |  |  |  |  |
| \$/kWh                          |            | \$0.06432            | \$0.06938  |  |  |  |  |  |
| %                               |            | 21.40%               | 78.60%     |  |  |  |  |  |
| WEIGHTED AVERAGE PRICE          | \$0.0683   | \$0.0138             | \$0.0545   |  |  |  |  |  |

#### : Estimated 2011 Weighted Average Commodity Price

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### 4 Retail Transmission Service ("RTS") Rates

5 Proposed RTS rates for Network Service and Line and Transformation Connection

6 Service are described in Exhibit 8, Tab 3, Schedule 3.

## 7 Wholesale Market Service ("WMS") Rate

8 The existing WMS charge of \$0.0052 per kWh has been maintained.

### 9 **Rural Rate Protection**

10 The existing Rural Rate Protection charge of \$0.0013 per kWh has been maintained.

## 11 Low Voltage ("LV") Service

- 12 Hydro 2000 estimates total charges of \$100,429 in 2012 for LV service. Proposed retail
- 13 rates for LV are described in Exhibit 8, Tab 3, Schedule 4.

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## Table 3.1.3 Pass-Through Charges

Volumes from sheet C1, Account #s from sheet Y4

| Electricity (Commodity)   |          | Customer                        | Revenue | Expense | 2011       | rate (\$/kWh): | \$0.06666 | 2012       | rate (\$/kWh): | \$0.06938 |
|---------------------------|----------|---------------------------------|---------|---------|------------|----------------|-----------|------------|----------------|-----------|
|                           |          | Class Name                      | USA #   | USA #   | Volume     |                | Amount    | Volume     |                | Amount    |
|                           | kWh      | Residential                     | 4006    | 4705    | 15,711,211 |                | 1,047,309 | 15,679,990 |                | 1,087,878 |
|                           | kWh      | General Service < 50 kW         | 4035    | 4705    | 5,035,024  |                | 335,635   | 5,025,018  |                | 348,636   |
|                           | kWh      | General Service > 50 to 4999 kW | 4035    | 4705    | 4,992,358  |                | 332,791   | 4,982,437  |                | 345,681   |
|                           | kWh      | Unmetered Scattered Load        | 4035    | 4705    | 19,713     |                | 1,314     | 19,713     |                | 1,368     |
|                           | kWh      | Street Lighting                 | 4035    | 4705    | 369,727    |                | 24,646    | 369,727    |                | 25,652    |
|                           |          | TOTAL                           |         |         | 26,128,034 |                | 1,741,695 | 26,076,886 |                | 1,809,214 |
| Transmission - Network    |          | Customer                        | Revenue | Expense |            | 2011           |           | 2012       |                |           |
|                           |          | Class Name                      | USA #   | USA #   | Volume     | Rate           | Amount    | Volume     | Rate           | Amount    |
|                           | kWh      | Residential                     | 4066    | 4714    | 15,711,211 | \$0.0057       | 89,554    | 15,679,990 | \$0.0054       | 84,200    |
|                           | kWh      | General Service < 50 kW         | 4066    | 4714    | 5,035,024  | \$0.0052       | 26,182    | 5,025,018  | \$0.0049       | 24,617    |
|                           | kW       | General Service > 50 to 4999 kW | 4066    | 4714    | 11,973     | \$2.1334       | 25,543    | 11,949     | \$2.0098       | 24,016    |
|                           | kWh      | Unmetered Scattered Load        | 4066    | 4714    | 19,713     | \$0.0052       | 103       | 19,713     | \$0.0049       | 97        |
|                           | kW       | Street Lighting                 | 4066    | 4714    | 967        | \$1.6088       | 1,556     | 967        | \$1.5156       |           |
|                           |          | TOTAL                           |         |         | 20,778,889 |                | 142,937   | 20,737,638 |                | 134,394   |
| Transmission - Connectior | <u>1</u> | Customer                        | Revenue | Expense |            | 2011           |           |            | 2012           |           |
|                           |          | Class Name                      | USA #   | USA #   | Volume     | Rate           | Amount    | Volume     | Rate           | Amount    |
|                           | kWh      | Residential                     | 4068    | 4716    | 15,711,211 | \$0.0045       | 70,700    | 15,679,990 | \$0.0043       | 67,068    |
|                           | kWh      | General Service < 50 kW         | 4068    | 4716    | 5,035,024  | \$0.0045       | 22,658    | 5,025,018  | \$0.0043       | 21,493    |
|                           | kW       | General Service > 50 to 4999 kW | 4068    | 4716    | 11,973     | \$1.7937       | 21,476    | 11,949     | \$1.7049       | 20,372    |
|                           | kWh      | Unmetered Scattered Load        | 4068    | 4716    | 19,713     | \$0.0045       | 89        | 19,713     | \$0.0043       | 84        |
|                           | kW       | Street Lighting                 | 4068    | 4716    | 967        | \$1.3866       | 1,341     | 967        | \$1.3180       | 1,274     |
|                           |          | TOTAL                           |         |         | 20,778,889 |                | 116,264   | 20,737,638 |                | 110,292   |

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## Table 3.1.3 Pass-Through Charges

Volumes from sheet C1, Account #s from sheet Y4

| Enter rates for pass-through charges and estimated Low Volt | tage revenues |
|-------------------------------------------------------------|---------------|
|-------------------------------------------------------------|---------------|

| Wholesale Market Service |                | Customer                        | Revenue | Expense | 2011       | rate (\$/kWh): | \$0.00520 | 2012       | rate (\$/kWh): | \$0.00520 |
|--------------------------|----------------|---------------------------------|---------|---------|------------|----------------|-----------|------------|----------------|-----------|
|                          |                | Class Name                      | USA #   | USA #   | Volume     |                | Amount    | Volume     |                | Amount    |
| k                        | Wh             | Residential                     | 4062    | 4708    | 15,711,211 | \$0.0052       | 81,698    | 15,679,990 | \$0.0052       | 81,536    |
| k                        | Wh             | General Service < 50 kW         | 4062    | 4708    | 5,035,024  | \$0.0052       | 26,182    | 5,025,018  | \$0.0052       | 26,130    |
| k                        | Wh             | General Service > 50 to 4999 kW | 4062    | 4708    | 4,992,358  | \$0.0052       | 25,960    | 4,982,437  | \$0.0052       | 25,909    |
| k                        | Wh             |                                 | 4062    | 4708    | 19,713     | \$0.0052       | 103       | 19,713     | \$0.0052       | 103       |
| k                        | Wh             | Street Lighting                 | 4062    | 4708    | 369,727    | \$0.0052       | 1,923     | 369,727    | \$0.0052       | 1,923     |
|                          |                | TOTAL                           |         |         | 26,128,034 |                | 135,866   | 26,076,886 |                | 135,600   |
| Rural Rate Protection    | Customer Reven |                                 | Revenue | Expense | 2011       | rate (\$/kWh): | \$0.00130 | 2012       | rate (\$/kWh): | \$0.00130 |
|                          |                | Class Name                      | USA #   | USA #   | Volume     |                | Amount    | Volume     |                | Amount    |
| k                        | Wh             | Residential                     | 4062    | 4730    | 15,711,211 | \$0.0013       | 20,425    | 15,679,990 | \$0.0013       | 20,384    |
| k                        | Wh             | General Service < 50 kW         | 4062    | 4730    | 5,035,024  | \$0.0013       | 6,546     | 5,025,018  | \$0.0013       | 6,533     |
| k                        | Wh             | General Service > 50 to 4999 kW | 4062    | 4730    | 4,992,358  | \$0.0013       | 6,490     | 4,982,437  | \$0.0013       | 6,477     |
| k                        | Wh             | Unmetered Scattered Load        | 4062    | 4730    | 19,713     | \$0.0013       | 26        | 19,713     | \$0.0013       | 26        |
| k                        | Wh             | Street Lighting                 | 4062    | 4730    | 369,727    | \$0.0013       | 481       | 369,727    | \$0.0013       | 481       |
|                          |                | TOTAL                           |         |         | 26,128,034 |                | 33,966    | 26,076,886 |                | 33,900    |
| Debt Retirement Charge   |                | Customer                        | Revenue | Expense | 2011       | rate (\$/kWh): | \$0.00700 | 2012       | rate (\$/kWh): | \$0.00700 |
|                          |                | Class Name                      | USA #   | USA #   | Volume     |                | Amount    | Volume     |                | Amount    |
|                          |                | TOTAL                           |         |         |            |                |           |            |                |           |
| Low Voltage Charges      |                | Customer                        | Revenue | Expense |            | 2011           |           |            | 2012           |           |
|                          |                | Class Name                      | USA #   | USA #   | Volume     | Rate           | Amount    | Volume     | Rate           | Amount    |
| k                        |                | Residential                     | 4075    | 4750    | 14,732,944 | \$0.0042       | 61,878    | 14,703,667 | \$0.0042       | 61,755    |
| k                        | Wh             | General Service < 50 kW         | 4075    | 4750    | 4,721,515  | \$0.0042       | 19,830    | 4,712,132  | \$0.0042       | 19,791    |
|                          | kW             | General Service > 50 to 4999 kW | 4075    | 4750    | 11,973     | \$1.5507       | 18,567    | 11,949     | \$1.5507       | 18,529    |
| k                        | Wh             | Unmetered Scattered Load        | 4075    | 4750    | 18,486     | \$0.0042       | 78        | 18,486     | \$0.0042       | 78        |
|                          | kW             | Street Lighting                 | 4075    | 4750    | 967        | \$1.1988       | 1,159     | 967        | \$1.1988       | 1,159     |
|                          |                | TOTAL                           |         |         | 19,485,885 |                | 101,512   | 19,447,201 |                | 101,313   |
| GRAND TOTAL              |                |                                 |         |         |            |                | 2,272,240 |            |                | 2,324,713 |

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Exhibit 3: Revenue

# Tab 2 (of 3): Distribution Revenue

## Table 3.2.1 Revenue from Current Distribution Charges

Rates from sheet A4; Volumes from sheet C1

Enter projected volumes for Transformer Allowance

|                                 | 2011 PROJECTED                   | 11 PROJECTED REVENUE FROM EXISTING VARIABLE CHARGES |            |                              |                                 |                                 |                                 |                                   |  |  |
|---------------------------------|----------------------------------|-----------------------------------------------------|------------|------------------------------|---------------------------------|---------------------------------|---------------------------------|-----------------------------------|--|--|
| Customer Class Name             | Variable<br>Distribution<br>Rate | per                                                 | Volume     | Gross<br>Variable<br>Revenue | Transform.<br>Allowance<br>Rate | Transform.<br>Allowance<br>kW's | Transform.<br>Allowance<br>\$'s | Net<br>Variable<br><u>Revenue</u> |  |  |
| Residential                     | \$0.0060                         | kWh                                                 | 14,732,944 | 88,398                       |                                 |                                 |                                 | 88,398                            |  |  |
| General Service < 50 kW         | \$0.0081                         | kWh                                                 | 4,721,515  | 38,244                       |                                 |                                 |                                 | 38,244                            |  |  |
| General Service > 50 to 4999 kW | \$0.9881                         | kW                                                  | 11,973     | 11,831                       |                                 |                                 |                                 | 11,831                            |  |  |
| Unmetered Scattered Load        | \$0.0081                         | kWh                                                 | 18,486     | 150                          |                                 |                                 |                                 | 150                               |  |  |
| Street Lighting                 | \$7.1591                         | kW                                                  | 967        | 6,923                        |                                 |                                 |                                 | 6,923                             |  |  |
| TOTAL VARIABLE REVENUE          |                                  |                                                     |            | 145,545                      |                                 |                                 |                                 | 145,545                           |  |  |

|                                 | 2011 PROJECTED DISTRIBUTION REVENUE AT EXISTING RATES |               |              |          |         |         |            |         |  |  |  |  |
|---------------------------------|-------------------------------------------------------|---------------|--------------|----------|---------|---------|------------|---------|--|--|--|--|
| Customer Class Name             | Fixed                                                 | Customers     | Fixed Charge | Variable | TOTAL   | % Fixed | % Variable | % Total |  |  |  |  |
|                                 | Rate                                                  | (Connections) | Revenue      | Revenue  | TOTAL   | Revenue | Revenue    | Revenue |  |  |  |  |
| Residential                     | \$8.5300                                              | 1,047         | 107,171      | 88,398   | 195,569 | 54.80%  | 45.20%     | 62.45%  |  |  |  |  |
| General Service < 50 kW         | \$24.6100                                             | 142           | 41,935       | 38,244   | 80,180  | 52.30%  | 47.70%     | 25.60%  |  |  |  |  |
| General Service > 50 to 4999 kW | \$120.7300                                            | 12            | 17,385       | 11,831   | 29,216  | 59.51%  | 40.49%     | 9.33%   |  |  |  |  |
| Unmetered Scattered Load        | \$12.3100                                             | 6             | 886          | 150      | 1,036   | 85.55%  | 14.45%     | 0.33%   |  |  |  |  |
| Street Lighting                 | \$0.0500                                              | 368           | 221          | 6,923    | 7,144   | 3.09%   | 96.91%     | 2.28%   |  |  |  |  |
| DISTRIBUTION REVENUE            |                                                       |               | 167,599      | 145,545  | 313,144 | 53.52%  | 46.48%     | 100.00% |  |  |  |  |

## Table 3.2.1 Revenue from Current Distribution Charges

Rates from sheet A4; Volumes from sheet C1

Enter projected volumes for Transformer Allowance

| Customer Class Name             | Variable<br>Distribution<br>Rate | per | Volume     | Gross<br>Variable<br>Revenue | Transform.<br>Allowance<br>Rate | Transform.<br>Allowance<br>kW's | Transform.<br>Allowance<br>\$'s | Net<br>Variable<br>Revenue |
|---------------------------------|----------------------------------|-----|------------|------------------------------|---------------------------------|---------------------------------|---------------------------------|----------------------------|
| Residential                     | \$0.0060                         | kWh | 14,703,667 | 88,222                       |                                 |                                 |                                 | 88,222                     |
| General Service < 50 kW         | \$0.0081                         | kWh | 4,712,132  | 38,168                       |                                 |                                 |                                 | 38,168                     |
| General Service > 50 to 4999 kW | \$0.9881                         | kW  | 11,949     | 11,807                       |                                 |                                 |                                 | 11,807                     |
| Unmetered Scattered Load        | \$0.0081                         | kWh | 18,486     | 150                          |                                 |                                 |                                 | 150                        |
| Street Lighting                 | \$7.1591                         | kW  | 967        | 6,923                        |                                 |                                 |                                 | 6,923                      |
| TOTAL VARIABLE REVENUE          |                                  |     |            | 145,270                      |                                 |                                 |                                 | 145,270                    |

|                                 | 2012 PROJECTE | D DISTRIBUTION | N REVENUE AT E | XISTING RATES |         |         |            |         |
|---------------------------------|---------------|----------------|----------------|---------------|---------|---------|------------|---------|
| Customer Class Name             | Fixed         | Customers      | Fixed Charge   | Variable      | TOTAL   | % Fixed | % Variable | % Total |
| Customer Class Name             | Rate          | (Connections)  | Revenue        | Revenue       | TOTAL   | Revenue | Revenue    | Revenue |
| Residential                     | \$8.5300      | 1,061          | 108,604        | 88,222        | 196,826 | 55.18%  | 44.82%     | 62.62%  |
| General Service < 50 kW         | \$24.6100     | 142            | 41,935         | 38,168        | 80,104  | 52.35%  | 47.65%     | 25.49%  |
| General Service > 50 to 4999 kW | \$120.7300    | 12             | 17,385         | 11,807        | 29,192  | 59.55%  | 40.45%     | 9.29%   |
| Unmetered Scattered Load        | \$12.3100     | 6              | 886            | 150           | 1,036   | 85.55%  | 14.45%     | 0.33%   |
| Street Lighting                 | \$0.0500      | 368            | 221            | 6,923         | 7,144   | 3.09%   | 96.91%     | 2.27%   |
| DISTRIBUTION REVENUE            |               |                | 169,032        | 145,270       | 314,301 | 53.78%  | 46.22%     | 100.00% |

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## **Overview of Distribution Revenues**

1

Table 3.2.1 at the previous schedule shows estimated revenues from current distribution 2 charges for 2011 and 2012. 3 4 Distribution Revenues are derived through a combination of fixed monthly charges and 5 volumetric charges based either on consumption (kWh's) or demand (kW's). Revenues 6 7 are collected from 5 customer classes: Residential, General Service less than 50 kW, General Service greater than 50 kW, Unmetered Scattered Load (USL) and Street 8 Lighting 9 10 Fixed rate revenue is determined by applying the current fixed monthly charge to the 11 number of customers or connections in each of the customer classes in each month. 12 Variable rate revenue is based on a volumetric rate applied to meter readings for 13 14 consumption or demand volume. 15 16 Hydro 2000 does not recover allowances for transformer ownership as none of Hydro 17 2000's customers own transformers.

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Exhibit 3: Revenue

# Tab 3 (of 3): Other Revenue

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## **C9** Other Service Revenues

|                                                                        |       | 2008 Approved |            |         |  |
|------------------------------------------------------------------------|-------|---------------|------------|---------|--|
| Service                                                                | USA # | Volume        | Rate       | Revenue |  |
| Standard Supply Service Administrative Charge                          | 4080  | 13,515        | \$0.25     | 3,379   |  |
| Arrears Certificate                                                    | 4084  |               | \$15.00    |         |  |
| Statement of Account                                                   | 4084  |               | \$15.00    |         |  |
| Pulling post-dated cheques                                             | 4084  |               | \$9.00     |         |  |
| Duplicate invoices for previous billing                                | 4084  |               | \$15.00    |         |  |
| Request for other billing information                                  | 4084  |               | \$15.00    |         |  |
| Easement Letter                                                        | 4084  |               | \$15.00    |         |  |
| Income tax letter                                                      | 4084  |               | \$15.00    |         |  |
| Notification Charge                                                    | 4084  |               | \$15.00    |         |  |
| Account history                                                        | 4235  |               | \$15.00    |         |  |
| Credit reference/credit check (plus credit agency costs)               | 4235  |               | \$25.00    |         |  |
| Returned Cheque charge (plus bank charges)                             | 4235  | 57            | \$15.00    | 849     |  |
| Charge to certify cheque                                               | 4235  |               | \$15.00    |         |  |
| Legal letter charge                                                    | 4084  | 8             | \$15.00    | 125     |  |
| Account set up charge / change of occupancy charge                     | 4235  | 216           | \$15.00    | 3,240   |  |
| Special Meter reads                                                    | 4235  |               | \$30.00    |         |  |
| Meter dispute charge plus Measurement Canada fees (if meter found corr | 4235  |               | \$30.00    |         |  |
| Late Payment - per month                                               | 4225  | 384,783       | 1.50%      | 5,772   |  |
| Disconnect/Reconnect at meter – during regular hours                   | 4235  | 13            | \$25.00    | 323     |  |
| Disconnect/Reconnect at meter – after regular hours                    | 4235  |               | \$50.00    |         |  |
| Disconnect/Reconnect at pole – during regular hours                    | 4235  |               | \$185.00   |         |  |
| Disconnect/Reconnect at pole – after regular hours                     | 4235  |               | \$415.00   |         |  |
| Install / remove load control device – during regular hours            | 4235  |               | \$25.00    |         |  |
| Install / remove load control device – after regular hours             | 4235  |               | \$50.00    |         |  |
| Service call – customer-owned equipment                                | 4235  |               | \$30.00    |         |  |
| Service call – after regular hours                                     | 4235  |               | \$165.00   |         |  |
| Temporary service install and remove – overhead – no transformer       | 4235  |               | \$500.00   |         |  |
| Temporary service install and remove – underground – no transformer    | 4235  |               | \$300.00   |         |  |
| Temporary service install and remove – overhead – with transformer     | 4235  |               | \$1,000.00 |         |  |
| Specific Charge for Access to the Power Poles – per pole/year          | 4210  | 164           | \$22.35    | 3,667   |  |
| TOTAL                                                                  |       |               |            | 17,354  |  |

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## **C9** Other Service Revenues

|                                                                        |       | 2008 Actual |            |         |  |
|------------------------------------------------------------------------|-------|-------------|------------|---------|--|
| Service                                                                | USA # | Volume      | Rate       | Revenue |  |
| Standard Supply Service Administrative Charge                          | 4080  | 13,535      | \$0.25     | 3,384   |  |
| Arrears Certificate                                                    | 4084  |             | \$15.00    |         |  |
| Statement of Account                                                   | 4084  |             | \$15.00    |         |  |
| Pulling post-dated cheques                                             | 4084  |             | \$9.00     |         |  |
| Duplicate invoices for previous billing                                | 4084  |             | \$15.00    |         |  |
| Request for other billing information                                  | 4084  |             | \$15.00    |         |  |
| Easement Letter                                                        | 4084  |             | \$15.00    |         |  |
| Income tax letter                                                      | 4084  |             | \$15.00    |         |  |
| Notification Charge                                                    | 4084  |             | \$15.00    |         |  |
| Account history                                                        | 4235  |             | \$15.00    |         |  |
| Credit reference/credit check (plus credit agency costs)               | 4235  |             | \$25.00    |         |  |
| Returned Cheque charge (plus bank charges)                             | 4235  | 57          | \$15.00    | 849     |  |
| Charge to certify cheque                                               | 4235  |             | \$15.00    |         |  |
| Legal letter charge                                                    | 4084  | 8           | \$15.00    | 125     |  |
| Account set up charge / change of occupancy charge                     | 4235  | 216         | \$15.00    | 3,240   |  |
| Special Meter reads                                                    | 4235  |             | \$30.00    |         |  |
| Meter dispute charge plus Measurement Canada fees (if meter found corr | 4235  |             | \$30.00    |         |  |
| Late Payment - per month                                               | 4225  | 384,783     | 1.50%      | 5,772   |  |
| Disconnect/Reconnect at meter – during regular hours                   | 4235  | 13          | \$25.00    | 323     |  |
| Disconnect/Reconnect at meter – after regular hours                    | 4235  |             | \$50.00    |         |  |
| Disconnect/Reconnect at pole – during regular hours                    | 4235  |             | \$185.00   |         |  |
| Disconnect/Reconnect at pole – after regular hours                     | 4235  |             | \$415.00   |         |  |
| Install / remove load control device – during regular hours            | 4235  |             | \$25.00    |         |  |
| Install / remove load control device – after regular hours             | 4235  |             | \$50.00    |         |  |
| Service call – customer-owned equipment                                | 4235  |             | \$30.00    |         |  |
| Service call – after regular hours                                     | 4235  |             | \$165.00   |         |  |
| Temporary service install and remove – overhead – no transformer       | 4235  |             | \$500.00   |         |  |
| Temporary service install and remove – underground – no transformer    | 4235  |             | \$300.00   |         |  |
| Temporary service install and remove – overhead – with transformer     | 4235  |             | \$1,000.00 |         |  |
| Specific Charge for Access to the Power Poles – per pole/year          | 4210  | 164         | \$22.35    | 3,667   |  |
| TOTAL                                                                  |       |             |            | 17,359  |  |

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## **C9** Other Service Revenues

|                                                                        |       | 2009 Actual |            |         |  |
|------------------------------------------------------------------------|-------|-------------|------------|---------|--|
| Service                                                                | USA # | Volume      | Rate       | Revenue |  |
| Standard Supply Service Administrative Charge                          | 4080  | 13,730      | \$0.25     | 3,433   |  |
| Arrears Certificate                                                    | 4084  |             | \$15.00    |         |  |
| Statement of Account                                                   | 4084  |             | \$15.00    |         |  |
| Pulling post-dated cheques                                             | 4084  |             | \$9.00     |         |  |
| Duplicate invoices for previous billing                                | 4084  |             | \$15.00    |         |  |
| Request for other billing information                                  | 4084  |             | \$15.00    |         |  |
| Easement Letter                                                        | 4084  |             | \$15.00    |         |  |
| Income tax letter                                                      | 4084  |             | \$15.00    |         |  |
| Notification Charge                                                    | 4084  |             | \$15.00    |         |  |
| Account history                                                        | 4235  |             | \$15.00    |         |  |
| Credit reference/credit check (plus credit agency costs)               | 4235  |             | \$25.00    |         |  |
| Returned Cheque charge (plus bank charges)                             | 4235  | 54          | \$15.00    | 811     |  |
| Charge to certify cheque                                               | 4235  |             | \$15.00    |         |  |
| Legal letter charge                                                    | 4084  | 8           | \$15.00    | 115     |  |
| Account set up charge / change of occupancy charge                     | 4235  | 189         | \$15.00    | 2,835   |  |
| Special Meter reads                                                    | 4235  |             | \$30.00    |         |  |
| Meter dispute charge plus Measurement Canada fees (if meter found corr | 4235  |             | \$30.00    |         |  |
| Late Payment - per month                                               | 4225  | 336,556     | 1.50%      | 5,048   |  |
| Disconnect/Reconnect at meter – during regular hours                   | 4235  | 21          | \$25.00    | 533     |  |
| Disconnect/Reconnect at meter – after regular hours                    | 4235  |             | \$50.00    |         |  |
| Disconnect/Reconnect at pole – during regular hours                    | 4235  |             | \$185.00   |         |  |
| Disconnect/Reconnect at pole – after regular hours                     | 4235  |             | \$415.00   |         |  |
| Install / remove load control device – during regular hours            | 4235  |             | \$25.00    |         |  |
| Install / remove load control device – after regular hours             | 4235  |             | \$50.00    |         |  |
| Service call – customer-owned equipment                                | 4235  |             | \$30.00    |         |  |
| Service call – after regular hours                                     | 4235  |             | \$165.00   |         |  |
| Temporary service install and remove – overhead – no transformer       | 4235  |             | \$500.00   |         |  |
| Temporary service install and remove – underground – no transformer    | 4235  |             | \$300.00   |         |  |
| Temporary service install and remove – overhead – with transformer     | 4235  |             | \$1,000.00 |         |  |
| Specific Charge for Access to the Power Poles – per pole/year          | 4210  | 287         | \$22.35    | 6,413   |  |
| TOTAL                                                                  |       |             |            | 19,187  |  |

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## **C9** Other Service Revenues

|                                                                        |       | 2010 Actual |            |         |  |
|------------------------------------------------------------------------|-------|-------------|------------|---------|--|
| Service                                                                | USA # | Volume      | Rate       | Revenue |  |
| Standard Supply Service Administrative Charge                          | 4080  | 13,887      | \$0.25     | 3,472   |  |
| Arrears Certificate                                                    | 4084  |             | \$15.00    |         |  |
| Statement of Account                                                   | 4084  |             | \$15.00    |         |  |
| Pulling post-dated cheques                                             | 4084  |             | \$9.00     |         |  |
| Duplicate invoices for previous billing                                | 4084  |             | \$15.00    |         |  |
| Request for other billing information                                  | 4084  |             | \$15.00    |         |  |
| Easement Letter                                                        | 4084  |             | \$15.00    |         |  |
| Income tax letter                                                      | 4084  |             | \$15.00    |         |  |
| Notification Charge                                                    | 4084  |             | \$15.00    |         |  |
| Account history                                                        | 4235  |             | \$15.00    |         |  |
| Credit reference/credit check (plus credit agency costs)               | 4235  |             | \$25.00    |         |  |
| Returned Cheque charge (plus bank charges)                             | 4235  | 50          | \$15.00    | 755     |  |
| Charge to certify cheque                                               | 4235  |             | \$15.00    |         |  |
| Legal letter charge                                                    | 4084  | 5           | \$15.00    | 75      |  |
| Account set up charge / change of occupancy charge                     | 4235  | 187         | \$15.00    | 2,805   |  |
| Special Meter reads                                                    | 4235  |             | \$30.00    |         |  |
| Meter dispute charge plus Measurement Canada fees (if meter found corr | 4235  |             | \$30.00    |         |  |
| Late Payment - per month                                               | 4225  | 408,019     | 1.50%      | 6,120   |  |
| Disconnect/Reconnect at meter – during regular hours                   | 4235  | 19          | \$25.00    | 472     |  |
| Disconnect/Reconnect at meter – after regular hours                    | 4235  |             | \$50.00    |         |  |
| Disconnect/Reconnect at pole – during regular hours                    | 4235  |             | \$185.00   |         |  |
| Disconnect/Reconnect at pole – after regular hours                     | 4235  |             | \$415.00   |         |  |
| Install / remove load control device – during regular hours            | 4235  |             | \$25.00    |         |  |
| Install / remove load control device – after regular hours             | 4235  |             | \$50.00    |         |  |
| Service call – customer-owned equipment                                | 4235  |             | \$30.00    |         |  |
| Service call – after regular hours                                     | 4235  |             | \$165.00   |         |  |
| Temporary service install and remove – overhead – no transformer       | 4235  |             | \$500.00   |         |  |
| Temporary service install and remove – underground – no transformer    | 4235  |             | \$300.00   |         |  |
| Temporary service install and remove – overhead – with transformer     | 4235  |             | \$1,000.00 |         |  |
| Specific Charge for Access to the Power Poles – per pole/year          | 4210  | 287         | \$22.35    | 6,413   |  |
| TOTAL                                                                  |       |             |            | 20,112  |  |

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## **C9** Other Service Revenues

|                                                                        |       | 2011 Projection |            |         |  |
|------------------------------------------------------------------------|-------|-----------------|------------|---------|--|
| Service                                                                | USA # | Volume          | Rate       | Revenue |  |
| Standard Supply Service Administrative Charge                          | 4080  | 14,484          | \$0.25     | 3,621   |  |
| Arrears Certificate                                                    | 4084  |                 | \$15.00    |         |  |
| Statement of Account                                                   | 4084  |                 | \$15.00    |         |  |
| Pulling post-dated cheques                                             | 4084  |                 | \$9.00     |         |  |
| Duplicate invoices for previous billing                                | 4084  |                 | \$15.00    |         |  |
| Request for other billing information                                  | 4084  |                 | \$15.00    |         |  |
| Easement Letter                                                        | 4084  |                 | \$15.00    |         |  |
| Income tax letter                                                      | 4084  |                 | \$15.00    |         |  |
| Notification Charge                                                    | 4084  |                 | \$15.00    |         |  |
| Account history                                                        | 4235  |                 | \$15.00    |         |  |
| Credit reference/credit check (plus credit agency costs)               | 4235  |                 | \$25.00    |         |  |
| Returned Cheque charge (plus bank charges)                             | 4235  | 50              | \$15.00    | 755     |  |
| Charge to certify cheque                                               | 4235  |                 | \$15.00    |         |  |
| Legal letter charge                                                    | 4084  | 5               | \$15.00    | 75      |  |
| Account set up charge / change of occupancy charge                     | 4235  | 187             | \$15.00    | 2,805   |  |
| Special Meter reads                                                    | 4235  |                 | \$30.00    |         |  |
| Meter dispute charge plus Measurement Canada fees (if meter found corr | 4235  |                 | \$30.00    |         |  |
| Late Payment - per month                                               | 4225  | 408,019         | 1.50%      | 6,120   |  |
| Disconnect/Reconnect at meter – during regular hours                   | 4235  | 19              | \$25.00    | 472     |  |
| Disconnect/Reconnect at meter – after regular hours                    | 4235  |                 | \$50.00    |         |  |
| Disconnect/Reconnect at pole – during regular hours                    | 4235  |                 | \$185.00   |         |  |
| Disconnect/Reconnect at pole – after regular hours                     | 4235  |                 | \$415.00   |         |  |
| Install / remove load control device – during regular hours            | 4235  |                 | \$25.00    |         |  |
| Install / remove load control device – after regular hours             | 4235  |                 | \$50.00    |         |  |
| Service call – customer-owned equipment                                | 4235  |                 | \$30.00    |         |  |
| Service call – after regular hours                                     | 4235  |                 | \$165.00   |         |  |
| Temporary service install and remove – overhead – no transformer       | 4235  |                 | \$500.00   |         |  |
| Temporary service install and remove – underground – no transformer    | 4235  |                 | \$300.00   |         |  |
| Temporary service install and remove – overhead – with transformer     | 4235  |                 | \$1,000.00 |         |  |
| Specific Charge for Access to the Power Poles – per pole/year          | 4210  | 287             | \$22.35    | 6,413   |  |
| TOTAL                                                                  |       |                 |            | 20,261  |  |

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## **C9** Other Service Revenues

|                                                                        |       | 2012 Projection (existing rates) |            |         |  |
|------------------------------------------------------------------------|-------|----------------------------------|------------|---------|--|
| Service                                                                | USA # | Volume                           | Rate       | Revenue |  |
| Standard Supply Service Administrative Charge                          | 4080  | 14,652                           | \$0.25     | 3,663   |  |
| Arrears Certificate                                                    | 4084  |                                  | \$15.00    |         |  |
| Statement of Account                                                   | 4084  |                                  | \$15.00    |         |  |
| Pulling post-dated cheques                                             | 4084  |                                  | \$9.00     |         |  |
| Duplicate invoices for previous billing                                | 4084  |                                  | \$15.00    |         |  |
| Request for other billing information                                  | 4084  |                                  | \$15.00    |         |  |
| Easement Letter                                                        | 4084  |                                  | \$15.00    |         |  |
| Income tax letter                                                      | 4084  |                                  | \$15.00    |         |  |
| Notification Charge                                                    | 4084  |                                  | \$15.00    |         |  |
| Account history                                                        | 4235  |                                  | \$15.00    |         |  |
| Credit reference/credit check (plus credit agency costs)               | 4235  |                                  | \$25.00    |         |  |
| Returned Cheque charge (plus bank charges)                             | 4235  | 50                               | \$15.00    | 755     |  |
| Charge to certify cheque                                               | 4235  |                                  | \$15.00    |         |  |
| Legal letter charge                                                    | 4084  | 5                                | \$15.00    | 75      |  |
| Account set up charge / change of occupancy charge                     | 4235  | 187                              | \$15.00    | 2,805   |  |
| Special Meter reads                                                    | 4235  |                                  | \$30.00    |         |  |
| Meter dispute charge plus Measurement Canada fees (if meter found corr | 4235  |                                  | \$30.00    |         |  |
| Late Payment - per month                                               | 4225  | 408,019                          | 1.50%      | 6,120   |  |
| Disconnect/Reconnect at meter – during regular hours                   | 4235  | 19                               | \$25.00    | 472     |  |
| Disconnect/Reconnect at meter – after regular hours                    | 4235  |                                  | \$50.00    |         |  |
| Disconnect/Reconnect at pole – during regular hours                    | 4235  |                                  | \$185.00   |         |  |
| Disconnect/Reconnect at pole – after regular hours                     | 4235  |                                  | \$415.00   |         |  |
| Install / remove load control device – during regular hours            | 4235  |                                  | \$25.00    |         |  |
| Install / remove load control device – after regular hours             | 4235  |                                  | \$50.00    |         |  |
| Service call – customer-owned equipment                                | 4235  |                                  | \$30.00    |         |  |
| Service call – after regular hours                                     | 4235  |                                  | \$165.00   |         |  |
| Temporary service install and remove – overhead – no transformer       | 4235  |                                  | \$500.00   |         |  |
| Temporary service install and remove – underground – no transformer    | 4235  |                                  | \$300.00   |         |  |
| Temporary service install and remove – overhead – with transformer     | 4235  |                                  | \$1,000.00 |         |  |
| Specific Charge for Access to the Power Poles – per pole/year          | 4210  | 287                              | \$22.35    | 6,413   |  |
| TOTAL                                                                  |       |                                  |            | 20,303  |  |

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## **C9** Other Service Revenues

USA Account #s per sheet Y6

|                                                                        |       | 2012 Projection (proposed rates |            |         |
|------------------------------------------------------------------------|-------|---------------------------------|------------|---------|
| Service                                                                | USA # | Volume                          | Rate       | Revenue |
| Standard Supply Service Administrative Charge                          | 4080  | 14,652                          | \$0.25     | 3,663   |
| Arrears Certificate                                                    | 4084  |                                 | \$15.00    |         |
| Statement of Account                                                   | 4084  |                                 | \$15.00    |         |
| Pulling post-dated cheques                                             | 4084  |                                 | \$9.00     |         |
| Duplicate invoices for previous billing                                | 4084  |                                 | \$15.00    |         |
| Request for other billing information                                  | 4084  |                                 | \$15.00    |         |
| Easement Letter                                                        | 4084  |                                 | \$15.00    |         |
| Income tax letter                                                      | 4084  |                                 | \$15.00    |         |
| Notification Charge                                                    | 4084  |                                 | \$15.00    |         |
| Account history                                                        | 4235  |                                 | \$15.00    |         |
| Credit reference/credit check (plus credit agency costs)               | 4235  |                                 | \$25.00    |         |
| Returned Cheque charge (plus bank charges)                             | 4235  | 50                              | \$15.00    | 755     |
| Charge to certify cheque                                               | 4235  |                                 | \$15.00    |         |
| Legal letter charge                                                    | 4084  | 5                               | \$15.00    | 75      |
| Account set up charge / change of occupancy charge                     | 4235  | 187                             | \$15.00    | 2,805   |
| Special Meter reads                                                    | 4235  |                                 | \$30.00    |         |
| Meter dispute charge plus Measurement Canada fees (if meter found corr | 4235  |                                 | \$30.00    |         |
| Late Payment - per month                                               | 4225  | 408,019                         | 1.50%      | 6,120   |
| Disconnect/Reconnect at meter – during regular hours                   | 4235  | 19                              | \$25.00    | 472     |
| Disconnect/Reconnect at meter – after regular hours                    | 4235  |                                 | \$50.00    |         |
| Disconnect/Reconnect at pole – during regular hours                    | 4235  |                                 | \$185.00   |         |
| Disconnect/Reconnect at pole – after regular hours                     | 4235  |                                 | \$415.00   |         |
| Install / remove load control device – during regular hours            | 4235  |                                 | \$25.00    |         |
| Install / remove load control device – after regular hours             | 4235  |                                 | \$50.00    |         |
| Service call – customer-owned equipment                                | 4235  |                                 | \$30.00    |         |
| Service call – after regular hours                                     | 4235  |                                 | \$165.00   |         |
| Temporary service install and remove – overhead – no transformer       | 4235  |                                 | \$500.00   |         |
| Temporary service install and remove – underground – no transformer    | 4235  |                                 | \$300.00   |         |
| Temporary service install and remove – overhead – with transformer     | 4235  |                                 | \$1,000.00 |         |
| Specific Charge for Access to the Power Poles – per pole/year          | 4210  | 287                             | \$22.35    | 6,413   |
| TOTAL                                                                  |       |                                 |            | 20,303  |

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| 1  | <b>Overview of Revenue from Service Charges</b>                                      |
|----|--------------------------------------------------------------------------------------|
| 2  | The table at the previous schedule (Table 3.3.1) shows the trend Specific Service    |
| 3  | Charges.                                                                             |
| 4  |                                                                                      |
| 5  | Hydro 2000's revenue from Specific Service Charges increased in 2011 and 2012 due to |
| 6  | the fact that there is a slight customer increase forecasted for 2010.               |
| 7  |                                                                                      |
| 8  | The downturn in the economy in 2009 also caused an increase in revenues from Late    |
| 9  | Payment charges which increased by 21% from 2009 to 2010. The Late Payment           |
| 10 | charges have remained steady since then.                                             |
| 11 |                                                                                      |

## Table 3.3.2 Other Revenue Variance Analysis

Review highlighted variances (no input on this sheet)

| Account Grouping                           | Account Description                                 | 2012 @ new<br>dist. rates | 2012 @<br>existing rates | Var \$ | Var % |
|--------------------------------------------|-----------------------------------------------------|---------------------------|--------------------------|--------|-------|
| 3050-Revenues From Services - Distribution | 4082-Retail Services Revenues                       |                           |                          |        |       |
|                                            | 4084-Service Transaction Requests (STR)<br>Revenues | -75                       | -75                      |        |       |
| 3100-Other Operating Revenues              | 4210-Rent from Electric Property                    | -6,413                    | -6,413                   |        |       |
|                                            | 4225-Late Payment Charges                           | -6,120                    |                          |        |       |
|                                            | 4235-Miscellaneous Service Revenues                 | -4,032                    | -4,032                   |        |       |

Variances > 10% (min \$2,000) or \$2,917 are shown in bold

## Table 3.3.2 Other Revenue Variance Analysis

|                                            |                                                     |                          | Variances >        | 10% (mi | in \$2,000) or \$2,9 | 17 are shown in bold |
|--------------------------------------------|-----------------------------------------------------|--------------------------|--------------------|---------|----------------------|----------------------|
| Account Grouping                           | Account Description                                 | 2012 @<br>existing rates | 2011<br>Projection |         | Var \$               | Var %                |
| 3050-Revenues From Services - Distribution | 4082-Retail Services Revenues                       |                          |                    |         |                      |                      |
|                                            | 4084-Service Transaction Requests (STR)<br>Revenues | -75                      | -75                |         |                      |                      |
| 3100-Other Operating Revenues              | 4210-Rent from Electric Property                    | -6,413                   | -6,413             |         |                      |                      |
|                                            | 4225-Late Payment Charges                           | -6,120                   | -6,120             |         |                      |                      |
|                                            | 4235-Miscellaneous Service Revenues                 | -4,032                   | -4,032             |         |                      |                      |

## Table 3.3.2 Other Revenue Variance Analysis

|                                            |                                                     |                    | Variances > 109 | % (min \$2,000) or \$2,917 | are shown in bold |
|--------------------------------------------|-----------------------------------------------------|--------------------|-----------------|----------------------------|-------------------|
| Account Grouping                           | Account Description                                 | 2011<br>Projection | 2010<br>Actual  | Var \$                     | Var %             |
| 3050-Revenues From Services - Distribution | 4082-Retail Services Revenues                       |                    | -2,134          | 2,134                      | 100.0%            |
|                                            | 4084-Service Transaction Requests (STR)<br>Revenues | -75                | -2              | -73                        | (3650.0%)         |
| 3100-Other Operating Revenues              | 4210-Rent from Electric Property                    | -6,413             | -6,413          | 0                          | 0.0%              |
|                                            | 4225-Late Payment Charges                           | -6,120             | -6,120          | 0                          | 0.0%              |
|                                            | 4235-Miscellaneous Service Revenues                 | -4,032             | -5,053          | 1,021                      | 20.2%             |

## Table 3.3.2 Other Revenue Variance Analysis

|                                            |                                                     |                | Variances > 10 | % (min \$2,000) or \$2,917 | are shown in bold |
|--------------------------------------------|-----------------------------------------------------|----------------|----------------|----------------------------|-------------------|
| Account Grouping                           | Account Description                                 | 2010<br>Actual | 2009<br>Actual | Var \$                     | Var %             |
| 3050-Revenues From Services - Distribution | 4082-Retail Services Revenues                       | -2,134         | -1,364         | -770                       | (56.5%)           |
|                                            | 4084-Service Transaction Requests (STR)<br>Revenues | -2             | -52            | 50                         | 96.2%             |
| 3100-Other Operating Revenues              | 4210-Rent from Electric Property                    | -6,413         | -6,413         |                            |                   |
|                                            | 4225-Late Payment Charges                           | -6,120         | -5,048         | -1,072                     | (21.2%)           |
|                                            | 4235-Miscellaneous Service Revenues                 | -5,053         | -4,946         | -107                       | (2.2%)            |

## Table 3.3.2 Other Revenue Variance Analysis

|                                            |                                                     |                | Variances > 10 | 0% (min \$2,000) or \$2,917 | are shown in bold |
|--------------------------------------------|-----------------------------------------------------|----------------|----------------|-----------------------------|-------------------|
| Account Grouping                           | Account Description                                 | 2009<br>Actual | 2008<br>Actual | Var \$                      | Var %             |
| 3050-Revenues From Services - Distribution | 4082-Retail Services Revenues                       | -1,364         | -1,608         | 244                         | 15.2%             |
|                                            | 4084-Service Transaction Requests (STR)<br>Revenues | -52            | -25            | -27                         | (105.9%)          |
| 3100-Other Operating Revenues              | 4210-Rent from Electric Property                    | -6,413         | -3,667         | -2,746                      | (74.9%)           |
|                                            | 4225-Late Payment Charges                           | -5,048         | -5,772         | 723                         | 12.5%             |
|                                            | 4235-Miscellaneous Service Revenues                 | -4,946         |                | -4,946                      |                   |

## Table 3.3.2 Other Revenue Variance Analysis

Review highlighted variances (no input on this sheet)

|                                            |                                                     |                | Variances > 10%      | (min \$2,000) or \$2,917 a | re shown in bold |
|--------------------------------------------|-----------------------------------------------------|----------------|----------------------|----------------------------|------------------|
| Account Grouping                           | Account Description                                 | 2008<br>Actual | 2008 EDR<br>Approved | Var \$                     | Var %            |
| 3050-Revenues From Services - Distribution | 4082-Retail Services Revenues                       | -1,608         | -1,329               | -279                       | (21.0%)          |
|                                            | 4084-Service Transaction Requests (STR)<br>Revenues | -25            | -30                  | 5                          | 15.8%            |
| 3100-Other Operating Revenues              | 4210-Rent from Electric Property                    | -3,667         | -6,526               | 2,859                      | 43.8%            |
|                                            | 4225-Late Payment Charges                           | -5,772         | -4,403               | -1,369                     | (31.1%)          |
|                                            | 4235-Miscellaneous Service Revenues                 |                | -3,474               | 3,474                      | 100.0%           |

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## **Other Revenue Variance Analysis**

2 The table at the previous schedule (Table 3.3.2) shows the trend of Other Revenue by

3 USoA account, which includes Specific Service Charges, Late Payment Charges, Other

4 Distribution Revenues and Other Income & Expenses. For the latter two categories,

5 further breakdowns are provided at Schedule 4.

- 6
- 7 With the exception of Specific Service Charges which were discussed at Schedule 1 of
- 8 this Tab, Other Revenues have remained flat over 2008 to 2011 and will remain as such
- 9 for 2012.
- 10
- 11 Schedule 3 presents the revenue offsets which are applied to the base revenue
- 12 requirement for the 2012 test year.
- 13

3

1

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## **Revenue Offsets**

1 2

3 This Schedule presents the revenue offsets which are applied the service revenue

4 requirement for the 2012 test year to determine the Base Revenue Requirement.

5

Other Revenue includes Specific Service Charges, Late Payment Charges, OtherDistribution Revenues and Other Income & Expenses.

8

| Revenue Requirement         | 2012<br>Projection |
|-----------------------------|--------------------|
| OM&A Expenses               | 434,834            |
| 3850-Amortization Expense   | 76,703             |
| Total Distribution Expenses | 511,537            |
| Regulated Return On Capital | 66,572             |
| PILs (with gross-up)        | 5,328              |
| Service Revenue Requirement | 583,437            |
| Less: Revenue Offsets       | 20,303             |
| Base Revenue Requirement    | 563,134            |

9

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 4

# Exhibit 4:

# **OPERATING COSTS**

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 4 Tab 1

Exhibit 4: Operating Costs

# Tab 1 (of 8): Manager's Summary

# Table 4.1.1. Operating Cost Trend Table

| Account Grouping                         | 2008 EDR | 2008    | 2009    | 2010    | 2011       | 2012 @ new  |
|------------------------------------------|----------|---------|---------|---------|------------|-------------|
|                                          | Approved | Actual  | Actual  | Actual  | Projection | dist. rates |
| 3500-Distribution Expenses - Operation   | 738      | 463     | 10,097  | 878     | 12,225     | 29,543      |
| 3550-Distribution Expenses - Maintenance | 5,717    | 8,876   | 9,184   | 4,446   | 2,050      | 2,050       |
| 3650-Billing and Collecting              | 94,565   | 89,470  | 94,140  | 102,373 | 121,596    | 127,734     |
| 3700-Community Relations                 |          |         |         |         | 700        | 717         |
| 3800-Administrative and General Expenses | 161,631  | 145,394 | 154,422 | 189,529 | 211,896    | 274,790     |
| 3950-Taxes Other Than Income Taxes       |          |         |         |         |            |             |
| OM&A Expenses                            | 262,651  | 244,203 | 267,844 | 297,226 | 348,467    | 434,834     |

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## **Overview of OM&A Expenses**

1 2

An overview of Hydro 2000's OM&A trend is provided in Table 1 of Exhibit 4, Tab 1,
Schedule 2.

5

Projected OM&A expenses in 2012 are approximately \$86K higher than the 2011 bridge amount. The drivers of major year over year changes in OM&A are described in Exhibit 4, Tab 1, Schedule 4. Hydro 2000 submits that the expected growth in its spending is prudent, reasonable and/or necessary, as it relates principally to the need to fulfill of regulatory requirements (i.e. cost of service and IFRS) and to recruit, part time staff to support safety, reliability and the day to day running of the utility.

12

Hydro 2000's 2011's OM&A include one-time impacts for (1) one-time costs related to
setting up the Hydro 2000's new offices and (2) a one-time cost related to the conversion
to Harris billing systems.

16

Hydro 2000's proposed expenses in 2012 for Operations, Maintenance and
Administration ("OM&A") include one-time impacts for (1) rate filings, (2) one-time impact
of transitioning to IFRS, (3) one-time cost related to Smart Meter related operating
expenses.

21

Hydro 2000's proposed OM&A for 2012, excluding one-time items, reflects an increaseof 59K over its 2011 results.

24

The following table presents Hydro 2000's OM&A expenses from 20010 to 2012, adjusted for the one-time costs and savings:

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|                                         | 2010       | 2011       | 2012        |
|-----------------------------------------|------------|------------|-------------|
| Total OM&A                              | \$ 297,226 | \$ 348,467 | \$ 434,834  |
| Adjustments for one-time costs/savings: |            |            |             |
| Rate Filing                             |            |            | \$ (35,000) |
| Transition to IFRS                      |            |            | \$(15,000)  |
| Moving Expenses                         |            | \$(8,000)  |             |
| Software Conversion                     | \$(54,000) |            |             |
| Software Upgrade                        |            | \$(6,200)  |             |
|                                         |            | \$(14,200) |             |
| Smart Meter Related Operating Expenses  |            |            | \$5,618     |
| Total Adjustments                       | \$(54,000) | \$(28,400) | \$ (55,618) |
| Adjusted OM&A                           | \$243,226  | \$320,067  | \$379,216   |
| % year/year change                      |            |            |             |
| % compound annual growth                |            |            |             |

#### Table 1: 2010-2012 OM&A Expenses

2

1

The most significant factors driving the increase of 59K in 'Adjusted OM&A' (excluding
one-time costs and savings) are:

Salary adjustments to bring compensation levels and associated pensions and
benefits of management and administrative staff in line with those of cohorts.

Hydro 2000 converted its bi-monthly residential billing to monthly billing. Hydro 2000's customer base contains many low income customers as well as senor customers. With the new regulation surrounding deposit policies and payment arrangements, Hydro 2000 feels that billing on a monthly basis will aid customers in meeting their bill commitments. Billing on a monthly calendar basis will simplify billing of time-of-use and from a customer's perspective, ease the transition to a monthly time-of-use billing cycle.

\$11,150 in yearly on-going smart meter related operating expenses. Details can be
 found at Exhibit 9 Tab 3.

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**Conservation & Demand Management Programs** 

2

1

Hydro 2000 delivers the following Conservation & Demand Management ("CDM")
programs in association with the Ontario Power Authority ("OPA"):

- 5 Great Refrigerator Roundup
- Energy Retrofit Incentive Plan (ERIP)
- 7 Power Savings Blitz
- 8 PeakSaver

9 On October 29, 2010, Hydro 2000 filed a proposed Conservation and Demand 10 Management/Green Energy Act 2011-2014 strategy filing in which the utility stated that it 11 did not have any Board-Approved programs planned. The assumption was that the OPA 12 CDM programs would allow Hydro 2000 to achieve 100% of its targets. Hydro 2000 13 further stated that if this assumption needed to be readdressed in order for the CDM 14 Targets to be met, it would most likely be done in conjunctions with other Local 15 Distribution Company (LDC).

16

17 The proposed plan in question is presented at Attachment 1 of this schedule.

18 Approval of the proposed plan is still pending.

19

At this time, Hydro 2000 is not requesting any funding through distribution rates for CDM activities. Hydro 2000 has filed as required a CDM plan in order to adhere to its deemed conditions of license, including the achievement of demand and energy savings targets to be allocated by the Board in accordance with the ministerial directive,<sup>1</sup> and

<sup>&</sup>lt;sup>1</sup> <u>Directive of the Minister of Energy and Infrastructure to the Ontario Energy Board</u>, March 31, 2010

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 4 Tab 1 Schedule 3 Page 2 of 2

- 1 compliance with a new CDM Code for Electricity Distributors<sup>2</sup> as well as any other
- 2 regulatory requirements relating to CDM.

<sup>&</sup>lt;sup>2</sup> On June 22, 2010, the Board issued a Notice of Proposal to Issue a New Code, for the creation of a CDM Code for Electricity Distributors (EB-2010-0215).

# Hydro 2000 Inc.

# (ED-2002-0542)

CDM/GEA 2011-2014 Strategy Filing

November 1, 2010

# Hydro 2000 Inc.

# CDM Strategy Filing

November 1, 2010

- 1. **Distributor's Name:** Hydro 2000 Inc. ED-2002-0542 is filing this CDM Strategy with the Ontario Energy Board (OEB) in accordance with the OEB's September 16, 2010 Issuance of the Conservation and Demand Management Code for Electricity Distributors (EB-2010-0215). This Strategy outlines how Hydro 2000 Inc. will meet the electricity demand and consumption targets set out in its license.
- 2. **Total Reduction in Peak Provincial Electricity Demand (MW) Target:** 0.2 MW per the proposed CDM Targets for Electricity Distributors issued by the Ontario Energy Board (OEB) on June 22, 2010. Please note that this is a preliminary figure currently under review by the OEB.
- 3. **Total Reduction in Electricity Consumption (kWh) Target:** 1,000,000 kWh per the proposed CDM Targets for Electricity Distributors issued by the OEB on June 22, 2010. Please note that this is a preliminary figure currently under review by the OEB.

### 4. CDM Strategy

4.1. High Level Description of CDM Strategy

Hydro 2000 utilized the Ontario Power Authority's (OPA) Resource Planning Tool, taking into consideration Hydro 2000's service territory's residential profile and past CDM program results, to forecast their reductions in Peak Provincial Electricity Demand and Electricity Consumption. The streamlined version of the Resource Planning Tool was used, as recommended by the OPA, along with the OEB 2009 Yearbook data to forecast the 2011-2014 results for the Consumer, Commercial & Institutional, and Industrial programs.

This strategy does not take into consideration the significant portion of the target that the OPA expects to result from smart meter and time-of-use rate implementation. OPA advised that the CDM targets assigned to all electricity distributors should include approximately 308MW of savings related to smart meters and time-of-use rates. This advice was based on a study commissioned by the OPA and filed with the OEB as part of the Integrated Power Supply Plan proceeding.

| Annual Savings                             | 2011 | 2012 | 2013 | 2014 |
|--------------------------------------------|------|------|------|------|
| Peak Demand Reduction – MW                 | 0.04 | 0.06 | 0.05 | 0.06 |
| Electricity Consumption Reduction -<br>MWh | 117  | 181  | 131  | 135  |

| Cumulative Savings                         | 2011 | 2012 | 2013 | 2014 |
|--------------------------------------------|------|------|------|------|
| Peak Demand Reduction – MW                 | 0.04 | 0.10 | 0.15 | 0.21 |
| Electricity Consumption Reduction -<br>MWh | 117  | 410  | 811  | 1324 |

### 5. OPA Contracted Province-Wide CDM Programs

### 5.1. Program Descriptions

#### Consumer Programs

| Name                               | Years   | Description                                                                                                                                               | Target<br>Customers |
|------------------------------------|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| Instant Rebates                    | 2011-14 | In-store discounts on energy efficient products                                                                                                           | Residential         |
| Midstream Electronics<br>Incentive | 2011-14 | Retail promotion of energy efficient televisions                                                                                                          | Residential         |
| Midstream Pools Incentive          | 2011-14 | Retail promotion of "right sized" pool equipment                                                                                                          | Residential         |
| HVAC Rebates                       | 2011-14 | On-line rebates on high efficiency replacement of<br>heating/cooling systems                                                                              | Residential         |
| Appliance Retirement               | 2011-14 | Free pick-up/decommissioning of old, working inefficient appliances                                                                                       | Residential         |
| Exchange Events                    | 2011-14 | Room air conditioner and dehumidifier exchange events<br>at retailers                                                                                     | Residential         |
| Residential New<br>Construction    | 2011-14 | Incentives for builders to construct efficient, smart, and integrated new homes                                                                           | Residential         |
| Residential Demand<br>Response     | 2011-14 | Free, installed direct load control devices and in-home<br>display systems/capability. Non-DR offers: subsidized in-<br>home display systems/capabilities | Residential         |

| TOTAL | 2011-14 | 70 KW | 440 MWh |
|-------|---------|-------|---------|
|-------|---------|-------|---------|

Hydro 2000's plan is based upon the assumption that there will be sufficient funding available to manage and promote the OPA-contracted Province-Wide Consumer programs. Due to the fact that our CDM Targets are currently under review and the funding formula has yet to be announced, the above listing of programs and total expected reductions are preliminary. Adjustments to this plan may be required when final OEB CDM Targets are issued and OPA funding information is received. No budget projections have been included.

| Name                                      | Years   | Description                                                                                                                                               | Target<br>Customers         |
|-------------------------------------------|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| Equipment Replacement<br>(currently ERIP) | 2011-14 | The Electricity Retrofit Incentive Program is an incentive program designed to encourage high-efficiency electricity retrofits to existing structures.    | Commercial<br>Institutional |
| Power Savings Blitz                       | 2011-14 | Existing building retrofit projects for small business customers in the General service <50kW                                                             | Commercial<br>Institutional |
| Small Commercial Demand<br>Response       | 2011-14 | Free, installed direct load control devices and in-home<br>display systems/capability. Non-DR offers: subsidized in-<br>home display systems/capabilities | Commercial<br>Institutional |

| TOTAL |
|-------|
|-------|

Hydro 2000's plan is based upon the assumption that there will be sufficient funding available to manage and promote the OPA-contracted Province-Wide Commercial & Institutional programs. Due to the fact that our CDM Targets are currently under review and the funding formula has yet to be announced, the above listing of programs and total expected reductions are preliminary. Adjustments to this plan may be required when final OEB CDM Targets are issued and OPA funding information is received. No budget projections have been included.

### Industrial Programs

| Nam                        | e | Years   | Description                                                                                           | Target<br>Customers |
|----------------------------|---|---------|-------------------------------------------------------------------------------------------------------|---------------------|
| Equipment Re<br>(currently |   | 2011-14 | Incentive program designed to encourage high-efficiency electricity retrofits to existing structures. | Industrial          |

| TOTAL         2011-14         10 KW         136 MV |
|----------------------------------------------------|
|----------------------------------------------------|

Hydro 2000's plan is based upon the assumption that there will be sufficient funding available to manage and promote the OPA-contracted Province-Wide Industrial programs. Due to the fact that our CDM Targets are currently under review and the funding formula has yet to be announced, the above listing of programs and total expected reductions are preliminary. Adjustments to this plan may be required when final OEB CDM Targets are issued and OPA funding information is received. No budget projections have been included.

### Low Income Programs

Hydro 2000 intends on participating in the OPA-Contracted Province-Wide Low Income Program. Our strategy and forecasted reductions in provincial peak electricity demand and electricity consumption will be filed with the Board once this program has been finalized and its details regarding funding and program components are made available.

### 6. Potential Board-Approved CDM Programs

6.1. At this time Hydro 2000 Inc. does not have any Board-Approved programs planned. Our current assumption is that the OPA CDM programs will allow Hydro 2000 Inc. to achieve 100% of its targets. Should this assumption need to be readdressed in order for us to meet our CDM Targets, we will potentially develop, or join with another Local Distribution Company (LDC), in seeking a Board-Approved CDM Program.

### 7. Program Mix

7.1. Section 5 above illustrates the programs which will be delivered to all customer types in Hydro 2000's service territory, including residential, commercial, industrial, and institutional customers. The strategy was developed having regard to the composition of Hydro 2000's customer base.

Hydro 2000 intends on participating in the OPA-Contracted Province-Wide Low Income Program once additional information has been made available regarding program options and funding.

### 8. CDM Programs Co-ordination

8.1. Hydro 2000 plans to collaborate with other LDCs of similar size and/or geographical closeness in the administration, marketing and implementation of the OPA Contracted Province-Wide programs. Through these partnerships Hydro 2000 expects to achieve efficiencies of delivery and cost savings in the future.

Hydro 2000 will work closely with local Social Service Agencies, local municipal governments, natural gas distributors and other LDC's to deliver its portfolio of OPA-contracted Province-Wide CDM Programs, including an OPA-contracted Low Income program.

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| 1              | Cost Drivers                                                                                                                                                                                                                      |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2              |                                                                                                                                                                                                                                   |
| 3              | The table showing cost drivers on Operation, Maintenance and Administration ("OM&A")                                                                                                                                              |
| 4              | expenses is presented in Exhibit 4, Tab 2, Schedule 1, Attachment 3.                                                                                                                                                              |
| 5              |                                                                                                                                                                                                                                   |
| 6              | Below is the explanation of the most significant year over year cost drivers:                                                                                                                                                     |
| 7              | 2012                                                                                                                                                                                                                              |
| 8              |                                                                                                                                                                                                                                   |
| 9              |                                                                                                                                                                                                                                   |
| 10<br>11       | <ul> <li>Inclusion of one-time Smart Meter related operating expenses in the amount of<br/>\$22,472 amortized over 4 years (\$5,618 per year for a period of 4 years)</li> </ul>                                                  |
| 12             | • Inclusion of On-going costs related to smart meter operating expenses in the amount                                                                                                                                             |
| 13             | of \$11,150. (Exhibit 9, Tab 3)                                                                                                                                                                                                   |
| 14<br>15<br>16 | <ul> <li>Costs of hiring external consultants to assist with the cost of service application (140K) and transition to IFRS (60K) which totals of \$200K amortized over 4 years. (50K per year for a period of 4 years)</li> </ul> |
| 17             | • Increased costs for staff compensation (\$3K), largely due to salary adjustments to                                                                                                                                             |
| 18             | bring the salaries of non-union staff in line with those of cohorts, as explained in                                                                                                                                              |
| 19             | Exhibit 4, Tab 4, Schedule 1.                                                                                                                                                                                                     |
| 20             |                                                                                                                                                                                                                                   |
| 20<br>21       | 2011                                                                                                                                                                                                                              |
|                | 2011                                                                                                                                                                                                                              |
| 22             | • Increased costs for staff compensation (\$5K), largely due to salary adjustments to                                                                                                                                             |
| 23             | bring the salaries of non-union staff in line with those of cohorts, as explained in                                                                                                                                              |
| 24             | Exhibit 4, Tab 4, Schedule 1                                                                                                                                                                                                      |
| 25             | • Traveling expenses related to various training sessions for both the general manager                                                                                                                                            |
| 26             | and the new assistant manager. (18K)                                                                                                                                                                                              |

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- New part-time employee (13K)
- Moving expenses related to the relocation of the office (\$8,000)
- Expenses related to conversion to monthly billing (\$5,800)
- 4
- 5

#### 2010

- Deloitte and Touche 'services were hired to review and restate deferral and variance
   balances for the Global Adjustment. RRR filings were also revised accordingly.
   (\$30K)
- Increased costs for staff compensation (\$8K), largely due to salary adjustments to
  bring the salaries of non-union staff in line with those of cohorts, as explained in
  Exhibit 4, Tab 4, Schedule 1. This increase was booked into account Customer
  billing.
- 13

- Increased costs for staff compensation (\$5K), largely due to salary adjustments to
   bring the salaries of non-union staff in line with those of cohorts, as explained in
   Exhibit 4, Tab 4, Schedule 1. This increase was booked into account Customer
   billing.
- Increase in Management Salaries and Expenses in the amount of (8K). Half of this
   increase was related to training and travel expenses (CHEC group meetings and
   Harris training)
- 21 •
- 22
- 23

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 4 Tab 2

Exhibit 4: Operating Costs

# Tab 2 (of 8): Summary and Cost Driver Tables

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## OM&A Expense Tables

1 2

3 The five following schedules provide further details and analysis of historical and4 projected OM&A expenses:

- 5 Schedule 2: Summary of OM&A expenses
- Schedule 3: Detailed Account by Account OM&A Expenses
- 7 Schedule 4: OM&A Cost Drivers
- 8 Schedule 5: Regulatory Costs
- 9 Schedule 6: OM&A per Customer and per Full Time Equivalent

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### Appendix 2-E Summary of OM&A Expenses

Applicants should complete the two tables on this page.

#### Table 1: OM&A Year-over-Year Comparisons

This table should be completed for each of the comparisons outlined below (Note 1)

- 1 Last rebasing year (LRY) Actuals versus LRY Board approved (shown)
- 2 Year 1 Actuals versus LRY Actuals (Not necessary if LRY = Year 1)
- 3 Year 2 Actuals versus Year 1 Actuals
- 4 Year 3 Actuals versus Year 2 Actuals
- 5 Bridge Year versus Year 3 Actuals
- 6 Test Year versus Bridge Year

|                            | 2008           | 2008       | Variance   | Percentage Change |  |
|----------------------------|----------------|------------|------------|-------------------|--|
|                            | Board-approved | Actuals    | \$         | %                 |  |
| Operations                 | \$ 738         | \$ 463     | -\$ 275    | -37.26%           |  |
| Maintenance                | \$ 5,717       | \$ 8,875   | \$ 3,158   | 55.24%            |  |
| Billing and Collecting     | \$ 94,444      | \$ 89,470  | -\$ 4,974  | -5.27%            |  |
| Community Relations        | \$ -           | \$-        | \$-        |                   |  |
| Administrative and General | \$ 161,631     | \$ 145,390 | -\$ 16,241 | -10.05%           |  |
| Total OM&A Expenses        | \$ 262,530     | \$ 244,198 | -\$ 18,332 | -6.98%            |  |
| Inflation Rate             |                |            |            |                   |  |

|                            | 2008          | 2009          | ١  | Variance | Percentage Change |
|----------------------------|---------------|---------------|----|----------|-------------------|
|                            | Actuals       | Actuals       |    | \$       | %                 |
| Operations                 | \$<br>463     | \$<br>10,097  | \$ | 9,634    | 2080.78%          |
| Maintenance                | \$<br>8,875   | \$<br>9,184   | \$ | 309      | 3.48%             |
| Billing and Collecting     | \$<br>89,470  | \$<br>94,140  | \$ | 4,670    | 5.22%             |
| Community Relations        | \$<br>-       | \$<br>-       | \$ | -        |                   |
| Administrative and General | \$<br>145,390 | \$<br>154,425 | \$ | 9,035    | 6.21%             |
| Total OM&A Expenses        | \$<br>244,198 | \$<br>267,846 | \$ | 23,648   | 9.68%             |
| Inflation Rate             |               |               |    |          |                   |

|                            | 2009          | 2010          | l l | Variance | Percentage Change |
|----------------------------|---------------|---------------|-----|----------|-------------------|
|                            | Actuals       | Actuals       |     | \$       | %                 |
| Operations                 | \$<br>10,097  | \$<br>878     | -\$ | 9,219    | -91.30%           |
| Maintenance                | \$<br>9,184   | \$<br>4,446   | -\$ | 4,738    | -51.59%           |
| Billing and Collecting     | \$<br>94,140  | \$<br>102,374 | \$  | 8,234    | 8.75%             |
| Community Relations        | \$<br>-       | \$<br>-       | \$  | -        |                   |
| Administrative and General | \$<br>154,425 | \$<br>189,528 | \$  | 35,103   | 22.73%            |
| Total OM&A Expenses        | \$<br>267,846 | \$<br>297,226 | \$  | 29,380   | 10.97%            |
| Inflation Rate             |               |               |     |          |                   |

|                            | 2010          | 2011          |     | Variance | Percentage Change |
|----------------------------|---------------|---------------|-----|----------|-------------------|
|                            | Actuals       | Actuals       |     | \$       | %                 |
| Operations                 | \$<br>878     | \$<br>12,225  | \$  | 11,347   | 1292.37%          |
| Maintenance                | \$<br>4,446   | \$<br>2,050   | -\$ | 2,396    | -53.89%           |
| Billing and Collecting     | \$<br>102,374 | \$<br>121,596 | \$  | 19,222   | 18.78%            |
| Community Relations        | \$<br>-       | \$<br>700     | \$  | 700      |                   |
| Administrative and General | \$<br>189,528 | \$<br>211,896 | \$  | 22,368   | 11.80%            |
| Total OM&A Expenses        | \$<br>297,226 | \$<br>348,467 | \$  | 51,241   | 17.24%            |
| Inflation Rate             |               |               |     |          |                   |

|                            | 2011          | 2012          | ١  | Variance | Percentage Change |
|----------------------------|---------------|---------------|----|----------|-------------------|
|                            | Actuals       | Forecast      |    | \$       | %                 |
| Operations                 | \$<br>12,225  | \$<br>29,543  | \$ | 17,318   | 141.66%           |
| Maintenance                | \$<br>2,050   | \$<br>2,050   | \$ | -        | 0.00%             |
| Billing and Collecting     | \$<br>121,596 | \$<br>127,734 | \$ | 6,138    | 5.05%             |
| Community Relations        | \$<br>700     | \$<br>717     | \$ | 17       | 2.43%             |
| Administrative and General | \$<br>211,896 | \$<br>274,790 | \$ | 62,894   | 29.68%            |
| Total OM&A Expenses        | \$<br>348,467 | \$<br>434,834 | \$ | 86,367   | 24.78%            |
| Inflation Rate             |               |               |    |          |                   |

#### Table 2: Additional Total OM&A Expense Comparative Information Table

#### Required Total OM&A Comparison

|                              |                | 2010    |    | 2012     | V  | /ariance | Percentage Change |
|------------------------------|----------------|---------|----|----------|----|----------|-------------------|
|                              |                | Actuals |    | Forecast |    | \$       | %                 |
| Test Year versus Most        |                |         |    |          |    |          |                   |
| Current Actuals              | \$             | 297,226 | \$ | 434,834  | \$ | 137,608  | 46.30%            |
|                              | \$             | 2,008   |    | 2012     | V  | /ariance | Percentage Change |
|                              | Board-approved |         |    | Forecast |    | \$       | %                 |
| Test Year versus LRY Board-  |                |         |    |          |    |          |                   |
| approved                     | \$             | 262,530 | \$ | 434,834  | \$ | 172,304  | 65.63%            |
| Simple average of % variance |                |         |    |          |    |          |                   |
| for all years                |                |         |    |          |    |          | 11.14%            |
| Compound annual growth       |                |         |    |          |    |          |                   |
| rate for all years           |                |         |    |          |    |          | 1.1832            |

**Note 1** If it has been more than three years since the applicant last filed a cost of service application, additional years of historical actuals should be incorporated into the table, as necessary, to go back to the last cost of service application. If the applicant last filed a cost of service application less than three years ago, a minimum of three years of actual information is required.

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#### Appendix 2-F Detailed, Account by Account, OM&A Expense Table (excluding Depreciation and Amortization)

| Account Description                                                               | 2008 | BA  | 2008 |    | 2009         | 201 | 0   | Brida | e Year | Test Year |
|-----------------------------------------------------------------------------------|------|-----|------|----|--------------|-----|-----|-------|--------|-----------|
| Operations                                                                        |      |     |      |    |              |     |     |       |        |           |
| 5005 Operation Supervision and Engineering                                        |      |     |      |    |              |     |     |       |        |           |
| 5010 Load Dispatching                                                             |      |     |      |    | \$<br>9,080  |     |     | \$    | 9,000  | \$ 9,000  |
| 5012 Station Buildings and Fixtures Expense                                       |      |     |      |    |              |     |     |       |        |           |
| 5014 Transformer Station Equipment - Operation Labour                             |      |     |      |    |              |     |     |       |        |           |
| 5015 Transformer Station Equipment - Operation Supplies and Expenses              |      |     |      |    |              |     |     |       |        |           |
| 5016 Distribution Station Equipment - Operation Labour                            |      |     |      |    |              |     |     |       |        |           |
| 5017 Distribution Station Equipment - Operation Supplies and Expenses             |      |     |      |    |              |     |     |       |        |           |
| 5020 Overhead Distribution Lines and Feeders - Operation Labour                   |      |     |      |    |              |     |     | \$    | 1,500  | \$ 2,050  |
| 5025 Overhead Distribution Lines and Feeders - Operation Supplies and Expenses    |      |     |      |    |              |     |     |       |        |           |
| 5030 Overhead Sub-transmission Feeders - Operation                                |      |     |      |    |              |     |     |       |        | l         |
| 5035 Overhead Distribution Transformers - Operation                               | \$   | 463 | \$ 4 | 63 | \$<br>463    | \$  | 878 | \$    | 1,725  | \$ 1,725  |
| 5040 Underground Distribution Lines and Feeders - Operation Labour                |      |     |      |    |              |     |     |       |        | l         |
| 5045 Underground Distribution Lines and Feeders - Operation Supplies and Expenses |      |     |      |    |              |     |     |       |        | 1         |
| 5050 Underground Sub-transmission Feeders - Operation                             |      |     |      |    |              |     |     |       |        |           |
| 5055 Underground Distribution Transformers - Operation                            |      |     |      |    |              |     |     |       |        |           |
| 5060 Street Lighting and Signal System Expense                                    |      |     |      |    |              |     |     |       |        | 1         |
| 5065 Meter Expense                                                                | \$   | 275 |      |    | \$<br>554    |     |     |       |        | \$ 16,768 |
| 5070 Customer Premises - Operation Labour                                         |      |     |      |    |              |     |     |       |        |           |
| 5075 Customer Premises - Operation Materials and Expenses                         |      |     |      |    |              |     |     |       |        |           |
| 5085 Miscellaneous Distribution Expenses                                          |      |     |      |    |              |     |     |       |        |           |
| 5090 Underground Distribution Lines and Feeders - Rental Paid                     |      |     |      |    |              |     |     |       |        |           |
| 5095 Overhead Distribution Lines and Feeders - Rental Paid                        |      |     |      |    |              |     |     |       |        |           |
| 5096 Other Rent                                                                   |      |     |      |    |              |     |     |       |        |           |
| Total - Operations                                                                | \$   | 738 | \$ 4 | 63 | \$<br>10,097 | \$  | 878 | \$    | 12,225 | \$ 29,543 |

| Account Description                                                | 2  | 008 BA | 2008         | 2009         |     | 2010    | Bridge Year |          | Т  | est Year |
|--------------------------------------------------------------------|----|--------|--------------|--------------|-----|---------|-------------|----------|----|----------|
| Maintenance                                                        |    |        |              |              |     |         |             |          |    |          |
| 5105 Maintenance Supervision and Engineering                       |    |        |              |              |     |         |             |          |    |          |
| 5110 Maintenance of Buildings and Fixtures - Distribution Stations |    |        |              |              |     |         |             |          |    |          |
| 5112 Maintenance of Transformer Station Equipment                  |    |        |              |              |     |         |             |          |    |          |
| 5114 Maintenance of Distribution Station Equipment                 |    |        |              |              |     |         |             |          |    |          |
| 5120 Maintenance of Poles, Towers and Fixtures                     |    |        |              |              |     |         |             |          |    |          |
| 5125 Maintenance of Overhead Conductors and Devices                | \$ | 4,064  | \$<br>2,309  | \$<br>7,272  | -\$ | 92      | \$          | 1,025    | \$ | 1,025    |
| 5130 Maintenance of Overhead Services                              |    |        |              |              |     |         |             |          |    |          |
| 5135 Overhead Distribution Lines and Feeders - Right of Way        |    |        | \$<br>450    | \$<br>1,912  |     |         | \$          | 1,025    | \$ | 1,025    |
| 5145 Maintenance of Underground Conduit                            |    |        |              |              |     |         |             |          |    |          |
| 5150 Maintenance of Underground Conductors and Devices             |    |        |              |              |     |         |             |          |    |          |
| 5155 Maintenance of Underground Services                           |    |        | \$<br>5,255  |              | \$  | 4,538   |             |          |    |          |
| 5160 Maintenance of Line Transformers                              |    |        |              |              |     | •       |             |          |    |          |
| 5165 Maintenance of Street Lighting and Signal Systems             |    |        |              |              |     |         |             |          |    |          |
| 5170 Sentinel Lights - Labour                                      |    |        |              |              |     |         |             |          |    |          |
| 5172 Sentinel Lights - Materials and Expenses                      |    |        |              |              |     |         |             |          |    |          |
| 5175 Maintenance of Meters                                         | \$ | 1,653  | \$<br>861    |              |     |         |             |          |    |          |
| 5178 Customer Installations Expenses - Leased Property             |    |        |              |              |     |         |             |          |    |          |
| 5195 Maintenance of Other Installations on Customer Premises       |    |        |              |              |     |         |             |          |    |          |
| Total - Maintenance                                                | \$ | 5,717  | \$<br>8,875  | \$<br>9,184  | \$  | 4,446   | \$          | 2,050    | \$ | 2,050    |
| Account Description                                                | 2  | 008 BA | 2008         | 2009         |     | 2010    | Brid        | dge Year | T  | est Year |
| Billing and Collecting                                             |    |        |              |              |     |         |             |          |    |          |
| 5305 Supervision                                                   |    |        |              |              |     |         |             |          |    |          |
| 5310 Meter Reading Expense                                         |    |        |              |              |     |         |             |          |    |          |
| 5315 Customer Billing                                              | \$ | 86,984 | \$<br>81,079 | \$<br>87,660 | \$  | 95,744  | \$          | 109,596  | \$ | 115,734  |
| 5320 Collecting                                                    |    |        |              |              |     |         |             |          |    |          |
| 5325 Collecting - Cash Over and Short                              |    |        |              |              |     |         |             |          |    |          |
| 5330 Collection Charges                                            |    |        |              |              |     |         |             |          |    |          |
| 5335 Bad Debt Expense                                              | \$ | 7,460  | \$<br>8,391  | \$<br>6,480  | \$  | 6,630   | \$          | 12,000   | \$ | 12,000   |
| 5340 Miscellaneous Customer Accounts Expenses                      |    |        |              |              |     |         |             |          |    |          |
| Total - Billing and Collecting                                     | \$ | 94,444 | \$<br>89,470 | \$<br>94,140 | \$  | 102,374 | \$          | 121,596  | \$ | 127,734  |

| Account Description                                             | 2  | 2008 BA | 2008          | 2009          | 2010          | Br | idge Year | T  | est Year |
|-----------------------------------------------------------------|----|---------|---------------|---------------|---------------|----|-----------|----|----------|
| Community Relations                                             |    |         |               |               |               |    |           |    |          |
| 5405 Supervision                                                |    |         |               |               |               |    |           |    |          |
| 5410 Community Relations - Sundry                               |    |         |               |               |               | \$ | 700       | \$ | 717      |
| 5415 Energy Conservation                                        |    |         |               |               |               |    |           |    |          |
| 5420 Community Safety Program                                   |    |         |               |               |               |    |           |    |          |
| 5425 Miscellaneous Customer Service and Informational Expenses  |    |         |               |               |               |    |           |    |          |
| 5505 Supervision                                                |    |         |               |               |               |    |           |    |          |
| 5510 Demonstrating and Selling Expense                          |    |         |               |               |               |    |           |    |          |
| 5515 Advertising Expenses                                       |    |         |               |               |               |    |           |    |          |
| 5520 Miscellaneous Sales Expense                                |    |         |               |               |               |    |           |    |          |
| Total - Community Relations                                     | \$ | -       | \$<br>-       | \$<br>-       | \$<br>-       | \$ | 700       | \$ | 717      |
| Account Description                                             | 2  | 2008 BA | 2008          | 2009          | 2010          | Br | idge Year | T  | est Year |
| Administrative and General Expenses                             |    |         |               |               |               |    |           |    |          |
| 5605 Executive Salaries and Expenses                            | \$ | 8,871   | \$<br>10,250  | \$<br>10,797  | \$<br>13,401  | \$ | 12,000    | \$ | 12,300   |
| 5610 Management Salaries and Expenses                           | \$ | 61,263  | \$<br>63,670  | \$<br>72,442  | \$<br>76,588  | \$ | 100,224   | \$ | 102,760  |
| 5615 General Administrative Salaries and Expenses               |    |         | \$<br>50      |               | \$<br>4,700   | \$ | 5,500     | \$ | 6,000    |
| 5620 Office Supplies and Expenses                               | \$ | 9,013   | \$<br>10,278  | \$<br>11,479  | \$<br>10,605  | \$ | 27,917    | \$ | 29,755   |
| 5625 Administrative Expense Transferred - Credit                |    |         |               |               |               |    |           |    |          |
| 5630 Outside Services Employed                                  | \$ | 28,733  | \$<br>18,859  | \$<br>14,548  | \$<br>11,000  | \$ | 14,000    |    | 14,775   |
| 5635 Property Insurance                                         | \$ | 3,410   | \$<br>4,154   | \$<br>3,998   | \$<br>3,309   | \$ | 4,125     | \$ | 4,228    |
| 5640 Injuries and Damages                                       |    |         |               |               |               |    |           |    |          |
| 5645 Employee Pensions and Benefits                             | \$ | 8,159   | \$<br>8,132   | \$<br>7,859   | \$<br>6,802   | \$ | 8,190     | \$ | 9,517    |
| 5650 Franchise Requirements                                     |    |         |               |               | \$<br>-       |    |           |    |          |
| 5655 Regulatory Expenses                                        | \$ | 30,500  | \$<br>21,766  | \$<br>23,440  | \$<br>54,540  | \$ | 22,300    | \$ | 77,375   |
| 5660 General Advertising Expenses                               |    |         |               |               |               |    |           |    |          |
| 5665 Miscellaneous General Expenses                             |    |         |               |               |               |    |           |    |          |
| 5670 Rent                                                       | \$ | 7,873   | \$<br>8,231   | \$<br>8,399   | \$<br>8,483   | \$ | 13,540    | \$ | 13,878   |
| 5675 Maintenance of General Plant                               |    |         |               |               |               |    |           |    |          |
| 5680 Electrical Safety Authority Fees                           | \$ | 3,809   |               | \$<br>1,463   | \$<br>100     | \$ | 4,100     | \$ | 4,202    |
| 5685 Independent Electricity System Operator Fees and Penalties |    |         |               |               |               |    |           |    |          |
| 5695 OM&A Contra Account                                        |    |         |               |               |               |    |           |    |          |
| 6205 Donations (Charitable Contributions)                       |    |         |               |               |               |    |           |    |          |
| Total - Administrative and General Expenses                     | \$ | 161,631 | \$<br>145,390 | \$<br>154,425 | \$<br>189,528 | \$ | 211,896   | \$ | 274,790  |
| Total OM&A                                                      | \$ | 262,530 | \$<br>244,198 | \$<br>267,846 | \$<br>297,226 | \$ | 348,467   | \$ | 434,834  |

Note: If it has been more than three years since the applicant last filed a cost of service application, additional years of historical actuals should be incorporated into the table, as necessary, to go back to the last cost of service application. If the applicant last filed a cost of service application less than three years ago, a minimum of three years of actual information is required.

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#### Appendix 2-G OM&A Cost Driver Table

| OM&A                                                 | 2008 | 2009         | 2010         | 2011          | 2012          |
|------------------------------------------------------|------|--------------|--------------|---------------|---------------|
| Opening Balance                                      |      | \$<br>-      | \$<br>13,000 | \$<br>51,000  | \$<br>100,800 |
| Salary Adjustment and travel expenses                |      | \$<br>5,000  | \$<br>8,000  | \$<br>5,000   | \$<br>3,000   |
| Deloitte and Touche review of Global Adj.            |      |              | \$<br>30,000 |               |               |
| Training and travel expenses                         |      | \$<br>8,000  |              | \$<br>18,000  |               |
| Part-Time employee                                   |      |              |              | \$<br>13,000  |               |
| Moving expenses related to office                    |      |              |              |               |               |
| relocation                                           |      |              |              | \$<br>8,000   |               |
| Expenses related to converison to<br>monthly billing |      |              |              | \$<br>5,800   |               |
| Cost of Service                                      |      |              |              |               | \$<br>140,000 |
| Transition to IFRS                                   |      |              |              |               | \$<br>60,000  |
| Smart Meter related operating expenses               |      |              |              |               |               |
| Closing Balance                                      | \$-  | \$<br>13,000 | \$<br>51,000 | \$<br>100,800 | \$<br>303,800 |

#### Notes:

(2)

(1) For each year, a detailed explanation for each cost driver and associated amount is required. (please see Exhibit 4, Tab 1, Schedule 4 for details)

The closing balance for each year becomes the opening balance for the next year.

(3) If it has been more than three years since the applicant last filed a cost of service application, additional years of historical actuals should be incorporated into the table, as necessary, to go back to the last cost of service application. If the applicant last filed a cost of service application less than three years ago, a minimum of three years of actual information is required.

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#### Appendix 2-H Regulatory Cost Schedule

| <b>I</b> |                                                                                    | USoA    | USoA Account | One-time | Last Rebasing | Last Year of |             | Annual %            |            |                     |
|----------|------------------------------------------------------------------------------------|---------|--------------|----------|---------------|--------------|-------------|---------------------|------------|---------------------|
| Reg      | ulatory Cost Category                                                              | Account | Balance      | Cost? 2  | Year          | Actuals      | Bridge Year | Change              | Test Year  | Annual % Change     |
|          | (A)                                                                                | (B)     | (C)          | (D)      | (E)           | (F)          | (G)         | (H) = [(G)-(F)]/(F) | (I)        | (J) = [(I)-(G)]/(G) |
| 1        | OEB Annual Assessment                                                              |         |              | On-Going | \$ 1,696      | \$ 1,920     | \$ 2,120    | 10.42%              | \$ 2,120   | 0.00%               |
| 2        | OEB Hearing Assessments (applicant-originated)                                     |         |              |          |               |              |             |                     |            |                     |
| 3        | OEB Section 30 Costs (OEB-initiated)                                               |         |              |          |               |              |             |                     |            |                     |
| 4        | Expert Witness costs for regulatory matters                                        |         |              |          |               |              |             |                     |            |                     |
| 5        | Legal costs for regulatory matters                                                 |         |              |          |               |              |             |                     |            |                     |
| 6        | Consultants' costs for regulatory matters                                          |         |              | On-Time  | \$ 28,736     | \$ 27,800    |             | -100.00%            | \$ 50,000  |                     |
| 7        | Operating expenses associated with staff resources allocated to regulatory matters |         |              |          |               |              |             |                     |            |                     |
| 8        | Operating expenses associated with other                                           |         |              | On-Going |               |              | \$ 17,000   |                     | \$ 30,000  | 76.47%              |
|          | resources allocated to regulatory matters <sup>1</sup>                             |         |              |          |               |              |             |                     |            |                     |
| 9        | Other regulatory agency fees or assessments                                        |         |              |          |               |              |             |                     |            |                     |
| 10       | Any other costs for regulatory matters (Cost of<br>Publication)                    |         |              | On-Going |               |              |             |                     | \$ 3,255   |                     |
| 11       | Intervenor costs                                                                   |         |              | On-Time  | \$ 5,070      |              |             |                     | \$ 15,000  |                     |
| 12       | Sub-total - Ongoing Costs <sup>3</sup>                                             |         | \$-          |          | \$ 1,696      | \$ 1,920     | \$ 19,120   | 895.83%             | \$ 35,375  | 85.02%              |
| 13       | Sub-total - One-time Costs 4                                                       |         | \$-          |          | \$ 33,806     | \$ 27,800    | \$-         | -100.00%            | \$ 65,000  |                     |
| 14       | Total                                                                              |         | \$ -         |          | \$ 35,502     | \$ 29,720    | \$ 19,120   | -35.67%             | \$ 100,375 | 424.97%             |

Notes: #10 (the 3255 in Other Costs presents expected costs for publication)

<sup>1</sup> Please identify the resources involved. (Deloitte and Touche)

<sup>2</sup> Where a category's costs include both one-time and ongoing costs, the applicant should prove a separate breakdown between one-time and ongoing costs.

<sup>3</sup> Sum of all ongoing costs identified in rows 1 to 11 inclusive.

<sup>4</sup> Sum of all one-time costs identified in rows 1 to 11 inclusive.

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#### Appendix 2-I OM&A Cost per Customer and per FTEE

|                              | LRY - Board |    |              |               |               |             |    |           |
|------------------------------|-------------|----|--------------|---------------|---------------|-------------|----|-----------|
|                              | Approved    | L  | LRY - Actual | Year 2 Actual | Year 1 Actual | Bridge Year |    | Test Year |
|                              |             |    |              |               |               |             |    |           |
| Number of Customers          | 1,544.00    |    | 1,554.00     | 1,553.00      | 1,570.00      | 1,575.00    |    | 1,589.00  |
| Total OM&A from Appendix 2-G | \$ 262,530  | \$ | 244,198      | \$ 267,846    | \$ 297,226    | \$ 348,467  | \$ | 434,834   |
| OM&A cost per customer       | \$ 170      | \$ | 157          | \$ 172        | \$ 189        | \$ 221      | \$ | 274       |
| Number of FTEEs              |             | 2  | 2            | 2             | 2             | 2.5         | 5  | 2.5       |
| Customers/FTEEs              | 772         |    | 777          | 777           | 785           | 630         |    | 636       |
| OM&A Cost per FTEE           | 131,265     |    | 122,099      | 133,923       | 148,613       | 139,387     |    | 173,934   |

#### Notes:

(1) If it has been more than three years since the applicant last filed a cost of service application, additional years of historical actuals should be incorporated into the table, as necessary, to go back to the last cost of service application. If the applicant last filed a cost of service application less than three years ago, a minimum of three years of actual information is required.

- (2) The method of calculating the number of customers must be identified.
- (3) The method of calculating the number of FTEEs must be identified. See also Appendix 2-K.
- (4) The number of customers and the number of FTEEs should correspond to mid-year or average of January 1 and December 31 figures.

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## **One-Time Costs**

1 2

Hydro 2000 projects incremental one-time costs in 2012 for this cost of service rate
application, to complete the transition to International Financial Reporting Standards
("IFRS and finally to the inclusion of Smart Meter related operating expenses. The table
below presents the one-time costs projected for 2012.

7

| Cost of filing rebasing application<br>(140,000 / 4 years)   | \$35,000 |
|--------------------------------------------------------------|----------|
| Cost of converting to IFRS<br>(60,000/4 years)               | \$15,000 |
| Smart Meter related Operating Expenses<br>(22,472 / 4 years) | \$5,618  |

8

9

#### 10 Cost of Service

As noted in Exhibit 4, Tab 2, Schedule 3, Hydro 2000 has considered its overall projected incremental costs for rate applications of \$140,000 and included one quarter of that amount, or 35K in its test year projections for account '5655-Regulatory Expenses', to enable full recovery over four years. The projection includes 30K for preparation or IRM applications or 10K per year for a period of 3 IRM years.

16

### 17 <u>IFRS</u>

As indicated in the minimum filing requirements<sup>1</sup>, the Board stipulates that "distributors whose rates are being rebased for 2012 should make all reasonable efforts to file test year forecasts for their cost of service applications using modified IFRS. The Board noted that, since utilities must transition to IFRS in 2012 for financial reporting purposes, the filing of a cost of service application using the same accounting system as is

<sup>&</sup>lt;sup>1</sup> Chapter 2 of the Filing Requirements for Transmission and Distribution Applications issued June 22, 2011. Page 13

- required to be used in a distributor's financial statements is expected to minimize future
   complexities and associated costs."
- 3

The Board goes on to say that that "The Board's letter further stated that a distributor, for whom preparing a modified IFRS based application would impose an unreasonable burden, might file under CGAAP but must provide an explanation of this choice as part of its rate application filing."

8

9 While many other utilities have been collecting IFRS funds for 1-2 years, Hydro 2000 10 has not. Moreover, unlike other larger utilities, Hydro 2000 does not have qualified 11 internal resources that can undertake such a project. The utility currently uses the 12 accounting firm of Deloitte and Touche to perform its accounting function. The utility 13 believes that its distribution revenues at current rates did not permit them to hire external 14 consultants to convert from CGAAP to IFRS.

15

Hydro 2000 has consulted with its auditor, financial system support and similarly-situated utilities in arriving at an estimated one-time incremental cost of \$60,000 to complete the transition to IFRS. One quarter of the total cost (\$15,000) has been included in the test year projections for account '5630-Outside Services Employed', to enable full recovery over four years.

21

### 22 Smart Meter OM&A

The utility also included \$5,618 (or \$22,472 amortized over 4 years) for one-time costs
related to Smart Meters related operating expenses. Specifics regarding those costs can
be found at Exhibit 9, Tab 3.

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 4 Tab 2 Schedule 3 Page 1 of 2

# **Regulatory Costs**

1 2

3 Details of Hydro 2000's regulatory costs appear in Schedule 1, Attachment 4 of this
4 Exhibit/Tab.

5

Hydro 2000 estimates consulting fees of approximately \$110K to complete this 2012
cost of service rate application. Hydro 2000 engaged the services of Elenchus Research
Associates ("Elenchus") to assist in this process, given the limited internal resources
available to work on an extensive application. At the time of the filing, Hydro 2000
incurred about \$43K in fees from Elenchus and 7K for Deloitte and Touche; another
\$60K is budgeted to address the post filing phases in the proceeding. A total of \$110K is
estimated in incremental costs directly associated with the 2012 rate application.

13

Hydro 2000 also projects average incremental costs of \$10K in each of the following
three IRM<sup>1</sup> filing years, or an aggregate amount of \$30K, due to the increased efforts
expected under the Board's 3<sup>rd</sup> Generation IRM e.g. revenue to cost adjustments,
deferral/variance account dispositions including smart meters, additional filing
requirements such as those arising from the GEGEA,<sup>2</sup> etc.

19

As a result, total rate filing costs of \$140K are estimated for Hydro 2000's upcoming four-year rebasing cycle. 25% of this amount (\$35K) has been included in Hydro 2000's test year costs, in addition to \$27000K in annual baseline regulatory costs, consistent with actual costs in the most recent two historical years. Hydro 2000 has also included \$60,000 (\$15,000 amortized over 4 years) for transition to IFRS.

25

A breakdown of the proposed expenditures related to the cost of service is presented inthe table below.

<sup>&</sup>lt;sup>1</sup> Incentive Regulation Mechanism

<sup>&</sup>lt;sup>2</sup> Green Energy and Green Economy Act, 2009

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 4 Tab 2 Schedule 3 Page 2 of 2

| FILING COSTS FOR RATE APPLICATIONS |     |  |  |  |
|------------------------------------|-----|--|--|--|
| (in thousands)                     |     |  |  |  |
| Pre-filing evidence                |     |  |  |  |
| Elenchus                           | 43  |  |  |  |
| Deloitte and Touche                | 15  |  |  |  |
| Production & Submission            | 5   |  |  |  |
| Public Notice                      | 2   |  |  |  |
| Interrogatories                    | 20  |  |  |  |
| Argument in chief                  | 0   |  |  |  |
| Reply submission                   | 5   |  |  |  |
| Intervenor costs                   | 15  |  |  |  |
| Rate Order                         | 5   |  |  |  |
| Total Filing costs                 | 110 |  |  |  |
|                                    |     |  |  |  |
| IRM filing costs 2012-14           |     |  |  |  |
| (note: estimated \$10K for         |     |  |  |  |
| each typical filing)               | 30  |  |  |  |
| Total for Rate Filings             | 140 |  |  |  |

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1

# Low-Income Energy Assistance Program (LEAP)

2

The minimum filing guidelines states that utilities are allowed to include either 0.12% of a distributor's Board-approved distribution revenue requirement, or \$2,000. The \$2,000 minimum is intended to ensure that for smaller distributors more funding is available than otherwise would be if based solely on a percentage of distribution revenues.

- 7
- 8 Accordingly, Hydro 2000 has included the amount of \$2,000 it its 2012 projections. This
- 9 amount will be used for financial assistance to low-income energy consumers.
- 10

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 4 Tab 2 Schedule 5 Page 1 of 2

# Charges Related to the Green Energy and Green Economy Act

4 Hydro 2000 expects to comply with all licensing conditions and other regulatory 5 requirements arising from the implementation of the Green Energy and Green Economy Act, 2009. The Board, in EB-2009-0397, defined the parameters for the filing of a Basic 6 7 GEA Plan. Such indicated that a utility must file its Basic GEA Plan with a COS 8 Application. At this time, Hydro 2000 is not filing a Distribution System Plan with specific 9 initiatives or quantified incremental costs. Rather, Hydro 2000 proposes to record any 10 incremental costs associated with initiatives under this legislation to the appropriate 11 Board-approved deferral accounts:

- 12 1531 Renewable Connection Capital Deferral Account
- 13 1532 Renewable Connection OM&A Deferral Account
- 14 1534 Smart Grid Capital Deferral Account
- 15 1535 Smart Grid OM&A Deferral Account

Having reviewed the Basic Green Energy Plans currently before the Board, Hydro 2000 has taken the approach that it needs to gain knowledge, experience and expertise before it can invest in the necessary resources to complete such a Plan. Hydro 2000 also seeks to gain efficiencies in working with its cohorts and minimizing its costs by learning from other applications.

21

1

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3

Being fully embedded in Hydro One's territory, Hydro 2000 is required to obtain permission from Hydro One to connect renewable generation to its system. Hydro 2000 is also obligated to comply with Hydro One's connection requirements for which the utility could incur additional costs. Hydro 2000 intends to cooperate closely with Hydro One in order to optimize the connection of renewable generators; gain a better Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 4 Tab 2 Schedule 5 Page 2 of 2 1 understanding of the impacts of renewable generation on Hydro 2000's distribution

2 system and its regulatory costs.

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 4 Tab 2 Schedule 6 Page 1 of 1

# Charitable Donations

1 2

No amounts for charitable donations are included in Hydro 2000's proposed distribution
expenses for the 2012 test year.

5

Hydro 2000 has a policy not to make charitable donations. Its Board of Directors has
determined that it would not be prudent to use revenues from Hydro 2000's customers to
fund charitable organizations.

9

Hydro 2000 does however; provide assistance where its skilled expertise can aid in community activities. Staff are involved in such activities as volunteering their time to different causes and service organizations such as educating social workers in Prescott-Russell as to how to handle deposits and how to deal with retailers.

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 4 Tab 3

Exhibit 4: Operating Costs

# Tab 3 (of 8): OM&A Variance Analysis

# Table 4.3.1. OM&A Variance Table

Review highlighted variances (no input on this sheet)

|                                          |                                                  |                |            | 10% (min \$2,000) or \$2,9 | 17 are shown in bold      |
|------------------------------------------|--------------------------------------------------|----------------|------------|----------------------------|---------------------------|
| Account Grouping                         | Account Description                              | 2012 @         | 2011       | Var \$                     | Var %                     |
|                                          | · · · · · · · · · · · · · · · · · · ·            | existing rates | Projection |                            |                           |
| 3500-Distribution Expenses - Operation   | 5010-Load Dispatching                            | 9,000          | 9,000      |                            |                           |
|                                          | 5020-Overhead Distribution Lines and Feeders -   | 2,050          | 1.500      | 55                         | 36.7%                     |
|                                          | Operation Labour                                 | 2,000          | 1,000      |                            | 5 50.770                  |
|                                          | 5035-Overhead Distribution Transformers-         | 1.725          | 1,725      |                            |                           |
|                                          | Operation                                        | · · · · ·      | 1,720      |                            |                           |
|                                          | 5065-Meter Expense                               | 16,768         |            | 16,76                      | 3                         |
| 3550-Distribution Expenses - Maintenance | 5125-Maintenance of Overhead Conductors and      | 1,025          | 1.025      |                            |                           |
| 5050-Distribution Expenses - Maintenance | Devices                                          | 1,020          | 1,020      |                            |                           |
|                                          | 5135-Overhead Distribution Lines and Feeders -   | 1,025          | 1.025      |                            |                           |
|                                          | Right of Way                                     | 1,020          | 1,020      |                            |                           |
|                                          | 5155-Maintenance of Underground Services         |                |            |                            |                           |
|                                          | 5175-Maintenance of Meters                       |                |            |                            |                           |
| 3650-Billing and Collecting              | 5315-Customer Billing                            | 115,734        | 109,596    | 6,13                       | <u> </u>                  |
|                                          | 5330-Collection Charges                          |                |            |                            |                           |
|                                          | 5335-Bad Debt Expense                            | 12,000         | 12,000     |                            |                           |
| 3700-Community Relations                 | 5410-Community Relations - Sundry                | 717            | 700        | 1                          |                           |
| 3800-Administrative and General Expenses | 5605-Executive Salaries and Expenses             | 12,300         | 12,000     | 30                         | ************************* |
|                                          | 5610-Management Salaries and Expenses            | 102,760        | 100,224    | 2,53                       | <u> 2.5%</u>              |
|                                          | 5615-General Administrative Salaries and         | 6,000          | 5,500      | 50                         | 9.1%                      |
|                                          | Expenses                                         |                | ·          |                            |                           |
|                                          | 5620-Office Supplies and Expenses                | 29,755         | 27,917     | 1,83                       |                           |
|                                          | 5630-Outside Services Employed                   | 14,775         | 14,000     | 77                         |                           |
|                                          | 5635-Property Insurance                          | 4,228          | 4,125      | 10                         |                           |
|                                          | 5645-Employee Pensions and Benefits              | 9,517          | 8,190      | 1,32                       |                           |
|                                          | 5655-Regulatory Expenses                         | 77,375         | 22,300     | 55,07                      |                           |
|                                          | 5670-Rent                                        | 13,878         | 13,540     | 33                         |                           |
|                                          | 5680-Electrical Safety Authority Fees            | 4,202          | 4,100      | 10                         | <u>2 2.5%</u>             |
| 3850-Amortization Expense                | 5705-Amortization Expense - Property, Plant, and | 76,703         | 60,751     | 15,95                      | 2 26.3%                   |
|                                          | Equipment                                        | 10,100         | 00,701     | 10,00                      | 20.070                    |

# Table 4.3.1. OM&A Variance Table

Review highlighted variances (no input on this sheet)

|                                          |                                                  | 0011       |        | 10% (min \$2,000) or \$2,917 a | are shown in bold |
|------------------------------------------|--------------------------------------------------|------------|--------|--------------------------------|-------------------|
| Account Grouping                         | Account Description                              | 2011       | 2010   | Var \$                         | Var %             |
|                                          |                                                  | Projection | Actual |                                |                   |
| 3500-Distribution Expenses - Operation   | 5010-Load Dispatching                            | 9,000      |        | 9,000                          |                   |
|                                          | 5020-Overhead Distribution Lines and Feeders -   | 1,500      |        | 1,500                          |                   |
|                                          | Operation Labour                                 |            |        |                                |                   |
|                                          | 5035-Overhead Distribution Transformers-         | 1,725      | 878    | 847                            | 96.5%             |
|                                          | Operation                                        |            |        |                                |                   |
|                                          | 5065-Meter Expense                               |            |        |                                |                   |
| 3550-Distribution Expenses - Maintenance | 5125-Maintenance of Overhead Conductors and      | 1.025      | -92    | 1,117                          | 1217.4%           |
|                                          | Devices                                          | .,020      |        | .,                             |                   |
|                                          | 5135-Overhead Distribution Lines and Feeders -   | 1,025      |        | 1,025                          |                   |
|                                          | Right of Way                                     | .,020      |        |                                |                   |
|                                          | 5155-Maintenance of Underground Services         |            | 4,538  | -4,538                         | (100.0%)          |
|                                          | 5175-Maintenance of Meters                       |            |        |                                |                   |
| 3650-Billing and Collecting              | 5315-Customer Billing                            | 109,596    | 95,744 | 13,852                         | <u>14.5%</u>      |
|                                          | 5330-Collection Charges                          |            |        |                                |                   |
|                                          | 5335-Bad Debt Expense                            | 12,000     | 6,630  | 5,370                          | <u>81.0%</u>      |
| 3700-Community Relations                 | 5410-Community Relations - Sundry                | 700        |        | 700                            |                   |
| 3800-Administrative and General Expenses | 5605-Executive Salaries and Expenses             | 12,000     | 13,401 | -1,401                         | (10.5%)           |
|                                          | 5610-Management Salaries and Expenses            | 100,224    | 76,588 | 23,636                         | <u>30.9%</u>      |
|                                          | 5615-General Administrative Salaries and         | 5,500      | 4.700  | 800                            | 17.0%             |
|                                          | Expenses                                         | 5,500      | 4,700  | 000                            | 17.070            |
|                                          | 5620-Office Supplies and Expenses                | 27,917     | 10,606 | 17,312                         | <u>163.2%</u>     |
|                                          | 5630-Outside Services Employed                   | 14,000     | 11,000 | 3,000                          | 27.3%             |
|                                          | 5635-Property Insurance                          | 4,125      | 3,309  | 816                            | 24.7%             |
|                                          | 5645-Employee Pensions and Benefits              | 8,190      | 6,802  | 1,388                          | 20.4%             |
|                                          | 5655-Regulatory Expenses                         | 22,300     | 54,540 | -32,240                        | (59.1%)           |
|                                          | 5670-Rent                                        | 13,540     | 8,483  | 5,057                          | <u>59.6%</u>      |
|                                          | 5680-Electrical Safety Authority Fees            | 4,100      | 100    | 4,000                          | 4000.0%           |
| 2950 Amortization Expanse                | 5705-Amortization Expense - Property, Plant, and | 60 751     | EE 242 | 5.408                          | 0.00/             |
| 3850-Amortization Expense                | Equipment                                        | 60,751     | 55,342 | 5,408                          | 9.8%              |

 $V_{\text{crisphane}} > 40\%$  (min \$2,000) or \$2,047 are chown in hold

# Table 4.3.1. OM&A Variance Table

Review highlighted variances (no input on this sheet)

|                                          | 1                                                | 2010   | 2009                            | (min \$2,000) or \$2,917 a | ire shown in bold |
|------------------------------------------|--------------------------------------------------|--------|---------------------------------|----------------------------|-------------------|
| Account Grouping                         | Account Description                              |        |                                 | Var \$                     | Var %             |
| 3500-Distribution Expenses - Operation   | E010 Lood Dispatabing                            | Actual | Actual<br>9,080                 | -9,080                     | (400.09/)         |
| 5500-Distribution Expenses - Operation   | 5010-Load Dispatching                            |        | 9,000                           | -9,000                     | (100.0%)          |
|                                          | 5020-Overhead Distribution Lines and Feeders -   |        |                                 |                            |                   |
|                                          | Operation Labour                                 |        |                                 |                            |                   |
|                                          | 5035-Overhead Distribution Transformers-         | 878    | 463                             | 415                        | 89.6%             |
|                                          | Operation                                        |        |                                 |                            |                   |
|                                          | 5065-Meter Expense                               |        | 554                             | -554                       | (100.0%)          |
| 3550-Distribution Expenses - Maintenance | 5125-Maintenance of Overhead Conductors and      | -92    | 7.272                           | -7,364                     | (101.3%)          |
|                                          | Devices                                          |        | · , <del>_</del> · <del>_</del> | .,                         | (,                |
|                                          | 5135-Overhead Distribution Lines and Feeders -   |        | 1.913                           | -1.913                     | (100.0%)          |
|                                          | Right of Way                                     |        | 1,010                           | 1,010                      | (100.070)         |
|                                          | 5155-Maintenance of Underground Services         | 4,538  |                                 | 4,538                      |                   |
|                                          | 5175-Maintenance of Meters                       |        |                                 |                            |                   |
| 3650-Billing and Collecting              | 5315-Customer Billing                            | 95,744 | 87,661                          | 8,083                      | 9.2%              |
|                                          | 5330-Collection Charges                          |        |                                 |                            |                   |
|                                          | 5335-Bad Debt Expense                            | 6,630  | 6,480                           | 150                        | 2.3%              |
| 3700-Community Relations                 | 5410-Community Relations - Sundry                |        |                                 |                            |                   |
| 3800-Administrative and General Expenses | 5605-Executive Salaries and Expenses             | 13,401 | 10,792                          | 2,609                      | 24.2%             |
|                                          | 5610-Management Salaries and Expenses            | 76,588 | 72,443                          | 4,146                      | 5.7%              |
|                                          | 5615-General Administrative Salaries and         | 4 700  |                                 | 4 700                      |                   |
|                                          | Expenses                                         | 4,700  |                                 | 4,700                      |                   |
|                                          | 5620-Office Supplies and Expenses                | 10,606 | 11,479                          | -874                       | (7.6%)            |
|                                          | 5630-Outside Services Employed                   | 11,000 | 14,548                          | -3,548                     | (24.4%)           |
|                                          | 5635-Property Insurance                          | 3,309  | 3,998                           | -689                       | (17.2%)           |
|                                          | 5645-Employee Pensions and Benefits              | 6,802  | 7,859                           | -1,058                     | (13.5%)           |
|                                          | 5655-Regulatory Expenses                         | 54,540 | 23,440                          | 31,099                     | 132.7%            |
|                                          | 5670-Rent                                        | 8,483  | 8,399                           | 84                         | 1.0%              |
|                                          | 5680-Electrical Safety Authority Fees            | 100    | 1,463                           | -1,363                     | (93.2%)           |
| 3850-Amortization Expense                | 5705-Amortization Expense - Property, Plant, and |        |                                 |                            |                   |
|                                          | Equipment                                        | 55,342 | 52,384                          | 2,958                      | 5.6%              |

 $V_{\text{crisphane}} > 40\%$  (min \$2,000) or \$2,047 are chown in hold

# Table 4.3.1. OM&A Variance Table

Review highlighted variances (no input on this sheet)

|                                          |                                                  | 0000   |        | 0% (min \$2,000) or \$2,917 a | are snown in bold |
|------------------------------------------|--------------------------------------------------|--------|--------|-------------------------------|-------------------|
| Account Grouping                         | Account Description                              | 2009   | 2008   | Var \$                        | Var %             |
|                                          | -                                                | Actual | Actual |                               |                   |
| 3500-Distribution Expenses - Operation   | 5010-Load Dispatching                            | 9,080  |        | 9,080                         |                   |
|                                          | 5020-Overhead Distribution Lines and Feeders -   |        |        |                               |                   |
|                                          | Operation Labour                                 |        |        |                               |                   |
|                                          | 5035-Overhead Distribution Transformers-         | 463    | 463    |                               |                   |
|                                          | Operation                                        |        |        |                               |                   |
|                                          | 5065-Meter Expense                               | 554    |        | 554                           |                   |
| 3550-Distribution Expenses - Maintenance | 5125-Maintenance of Overhead Conductors and      | 7,272  | 2.309  | 4,963                         | 214.9%            |
| boob Distribution Expenses - Maintenance | Devices                                          | 1,212  | 2,000  | 4,000                         | 214.070           |
|                                          | 5135-Overhead Distribution Lines and Feeders -   | 1,913  | 450    | 1,463                         | 325.0%            |
|                                          | Right of Way                                     | 1,010  | +50    | 1,700                         | 525.070           |
|                                          | 5155-Maintenance of Underground Services         |        | 5,255  | -5,255                        | (100.0%)          |
|                                          | 5175-Maintenance of Meters                       |        | 862    | -862                          | (100.0%)          |
| 3650-Billing and Collecting              | 5315-Customer Billing                            | 87,661 | 81,080 | 6,581                         | 8.1%              |
|                                          | 5330-Collection Charges                          |        |        |                               |                   |
|                                          | 5335-Bad Debt Expense                            | 6,480  | 8,391  | -1,911                        | (22.8%)           |
| 3700-Community Relations                 | 5410-Community Relations - Sundry                |        |        |                               |                   |
| 3800-Administrative and General Expenses | 5605-Executive Salaries and Expenses             | 10,792 | 10,251 | 541                           | 5.3%              |
|                                          | 5610-Management Salaries and Expenses            | 72,443 | 63,671 | 8,772                         | 13.8%             |
|                                          | 5615-General Administrative Salaries and         |        | 50     | 50                            | (400.00()         |
|                                          | Expenses                                         |        | 50     | -50                           | (100.0%)          |
|                                          | 5620-Office Supplies and Expenses                | 11,479 | 10,279 | 1,200                         | 11.7%             |
|                                          | 5630-Outside Services Employed                   | 14,548 | 18,859 | -4,311                        | (22.9%)           |
|                                          | 5635-Property Insurance                          | 3,998  | 4,155  | -157                          | (3.8%)            |
|                                          | 5645-Employee Pensions and Benefits              | 7,859  | 8,132  | -273                          | (3.4%)            |
|                                          | 5655-Regulatory Expenses                         | 23,440 | 21,766 | 1,674                         | 7.7%              |
|                                          | 5670-Rent                                        | 8,399  | 8,231  | 168                           | 2.0%              |
|                                          | 5680-Electrical Safety Authority Fees            | 1,463  |        | 1,463                         |                   |
|                                          | 5705-Amortization Expense - Property, Plant, and |        |        | [                             | 40.00             |
| 3850-Amortization Expense                | Equipment                                        | 52,384 | 47,544 | 4,840                         | 10.2%             |

 $V_{\text{crisphane}} > 40\%$  (min \$2,000) or \$2,047 are chown in hold

Hydro 2000 (ED-2002-0542) 2012 EDR Application (EB-2011-0326) version: 10 October 10, 2011

# Table 4.3.1. OM&A Variance Table

Review highlighted variances (no input on this sheet)

|                                          |                                                  | 0000   |          | (min \$2,000) or \$2,917 | are shown in bold |
|------------------------------------------|--------------------------------------------------|--------|----------|--------------------------|-------------------|
| Account Grouping                         | Account Description                              | 2008   | 2008 EDR | Var \$                   | Var %             |
|                                          |                                                  | Actual | Approved |                          |                   |
| 3500-Distribution Expenses - Operation   | 5010-Load Dispatching                            |        |          |                          |                   |
|                                          | 5020-Overhead Distribution Lines and Feeders -   |        |          |                          |                   |
|                                          | Operation Labour                                 |        |          |                          |                   |
|                                          | 5035-Overhead Distribution Transformers-         | 463    | 463      |                          |                   |
|                                          | Operation                                        |        |          |                          |                   |
|                                          | 5065-Meter Expense                               |        | 275      | -275                     | (100.0%)          |
| 3550-Distribution Expenses - Maintenance | 5125-Maintenance of Overhead Conductors and      | 2,309  | 4.064    | -1,755                   | (43.2%)           |
|                                          | Devices                                          | 2,000  | 7,007    | 1,700                    | (+0.270)          |
|                                          | 5135-Overhead Distribution Lines and Feeders -   | 450    |          | 450                      |                   |
|                                          | Right of Way                                     |        |          | +50                      |                   |
|                                          | 5155-Maintenance of Underground Services         | 5,255  |          | <u>5,255</u>             |                   |
|                                          | 5175-Maintenance of Meters                       | 862    | 1,653    | -791                     | (47.9%)           |
| 3650-Billing and Collecting              | 5315-Customer Billing                            | 81,080 | 86,984   | -5,904                   | (6.8%)            |
|                                          | 5330-Collection Charges                          |        | 121      | -121                     | (100.0%)          |
|                                          | 5335-Bad Debt Expense                            | 8,391  | 7,460    | 931                      | 12.5%             |
| 3700-Community Relations                 | 5410-Community Relations - Sundry                |        |          |                          |                   |
| 3800-Administrative and General Expenses | 5605-Executive Salaries and Expenses             | 10,251 | 8,871    | 1,380                    | 15.6%             |
|                                          | 5610-Management Salaries and Expenses            | 63,671 | 61,263   | 2,408                    | 3.9%              |
|                                          | 5615-General Administrative Salaries and         | 50     |          | 50                       |                   |
|                                          | Expenses                                         | 50     |          | 50                       |                   |
|                                          | 5620-Office Supplies and Expenses                | 10,279 | 9,013    | 1,266                    | 14.0%             |
|                                          | 5630-Outside Services Employed                   | 18,859 | 28,733   | -9,874                   | (34.4%)           |
|                                          | 5635-Property Insurance                          | 4,155  | 3,410    | 745                      | 21.8%             |
|                                          | 5645-Employee Pensions and Benefits              | 8,132  | 8,159    | -27                      | (0.3%)            |
|                                          | 5655-Regulatory Expenses                         | 21,766 | 30,500   | -8,734                   | (28.6%)           |
|                                          | 5670-Rent                                        | 8,231  | 7,873    | 358                      | 4.6%              |
|                                          | 5680-Electrical Safety Authority Fees            |        | 3,809    | -3,809                   | (100.0%)          |
|                                          | 5705-Amortization Expense - Property, Plant, and |        |          |                          |                   |
| 3850-Amortization Expense                | Equipment                                        | 47,544 | 51,889   | -4,345                   | (8.4%)            |

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Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 4 Tab 3 Schedule 1 Attachment 1 Page 1 of 6

# **OM&A Variances Analysis**

- 2 Table 4.3.1 at the previous schedule presents the variance analysis of Hydro 2000's
- 3 expenses for Operations, Maintenance and Administration ("OM&A") for each individual
- 4 account. The summarized view by account grouping that appears in Exhibit 4, Tab 2,
- 5 Schedule 1, Attachment 1 has been reproduced below.
- 6

1

|                            | 2008  |            |    | 2008    | Va  | ariance | Percentage Change |
|----------------------------|-------|------------|----|---------|-----|---------|-------------------|
|                            | Board | l-approved |    | Actuals |     | \$      | %                 |
| Operations                 | \$    | 738        | \$ | 463     | -\$ | 275     | -37.26%           |
| Maintenance                | \$    | 5,717      | \$ | 8,875   | \$  | 3,158   | 55.24%            |
| Billing and Collecting     | \$    | 94,444     | \$ | 89,470  | -\$ | 4,974   | -5.27%            |
| Community Relations        | \$    | -          | \$ | -       | \$  | -       |                   |
| Administrative and General | \$    | 161,631    | \$ | 145,390 | -\$ | 16,241  | -10.05%           |
| Total OM&A Expenses        | \$    | 262,530    | \$ | 244,198 | -\$ | 18,332  | -6.98%            |
| Inflation Rate             |       |            |    |         |     |         |                   |

|                            | 2008          | 2009          | V  | ariance | Percentage Change |
|----------------------------|---------------|---------------|----|---------|-------------------|
|                            | Actuals       | Actuals       |    | \$      | %                 |
| Operations                 | \$<br>463     | \$<br>10,097  | \$ | 9,634   | 2080.78%          |
| Maintenance                | \$<br>8,875   | \$<br>9,184   | \$ | 309     | 3.48%             |
| Billing and Collecting     | \$<br>89,470  | \$<br>94,140  | \$ | 4,670   | 5.22%             |
| Community Relations        | \$<br>-       | \$<br>-       | \$ | -       |                   |
| Administrative and General | \$<br>145,390 | \$<br>154,425 | \$ | 9,035   | 6.21%             |
| Total OM&A Expenses        | \$<br>244,198 | \$<br>267,846 | \$ | 23,648  | 9.68%             |
| Inflation Rate             |               |               |    |         |                   |

| 2009 |                      |                                                                                                        | 2010                                                                                                                                      | Va                                                                                                                                                                                                      | ariance                                                                                                                                                                                                                                                        | Percentage Change                                                                                                                                                                                                                                                                                      |
|------|----------------------|--------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|      | Actuals              |                                                                                                        | Actuals                                                                                                                                   |                                                                                                                                                                                                         | \$                                                                                                                                                                                                                                                             | %                                                                                                                                                                                                                                                                                                      |
| \$   | 10,097               | \$                                                                                                     | 878                                                                                                                                       | -\$                                                                                                                                                                                                     | 9,219                                                                                                                                                                                                                                                          | -91.30%                                                                                                                                                                                                                                                                                                |
| \$   | 9,184                | \$                                                                                                     | 4,446                                                                                                                                     | -\$                                                                                                                                                                                                     | 4,738                                                                                                                                                                                                                                                          | -51.59%                                                                                                                                                                                                                                                                                                |
| \$   | 94,140               | \$                                                                                                     | 102,374                                                                                                                                   | \$                                                                                                                                                                                                      | 8,234                                                                                                                                                                                                                                                          | 8.75%                                                                                                                                                                                                                                                                                                  |
| \$   | -                    | \$                                                                                                     | -                                                                                                                                         | \$                                                                                                                                                                                                      | -                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                        |
| \$   | 154,425              | \$                                                                                                     | 189,528                                                                                                                                   | \$                                                                                                                                                                                                      | 35,103                                                                                                                                                                                                                                                         | 22.73%                                                                                                                                                                                                                                                                                                 |
| \$   | 267,846              | \$                                                                                                     | 297,226                                                                                                                                   | \$                                                                                                                                                                                                      | 29,380                                                                                                                                                                                                                                                         | 10.97%                                                                                                                                                                                                                                                                                                 |
|      |                      |                                                                                                        |                                                                                                                                           |                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                        |
|      | \$<br>\$<br>\$<br>\$ | Actuals           \$ 10,097           \$ 9,184           \$ 94,140           \$ -           \$ 154,425 | Actuals         \$ 10,097       \$         \$ 9,184       \$         \$ 94,140       \$         \$ -       \$         \$ 154,425       \$ | Actuals         Actuals           \$ 10,097         \$ 878           \$ 9,184         \$ 4,446           \$ 94,140         \$ 102,374           \$ -         \$           \$ 154,425         \$ 189,528 | Actuals         Actuals           \$ 10,097         \$ 878         -\$           \$ 9,184         \$ 4,446         -\$           \$ 94,140         \$ 102,374         \$           \$         \$         \$           \$ 154,425         \$ 189,528         \$ | Actuals         Actuals         \$           \$ 10,097         \$ 878         -\$ 9,219           \$ 9,184         \$ 4,446         -\$ 4,738           \$ 94,140         \$ 102,374         \$ 8,234           \$ -         \$ -         \$           \$ 154,425         \$ 189,528         \$ 35,103 |

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1

|                            | 2010          | 2011          | V   | ariance | Percentage Change |
|----------------------------|---------------|---------------|-----|---------|-------------------|
|                            | Actuals       | Actuals       |     | \$      | %                 |
| Operations                 | \$<br>878     | \$<br>12,225  | \$  | 11,347  | 1292.37%          |
| Maintenance                | \$<br>4,446   | \$<br>2,050   | -\$ | 2,396   | -53.89%           |
| Billing and Collecting     | \$<br>102,374 | \$<br>121,596 | \$  | 19,222  | 18.78%            |
| Community Relations        | \$<br>-       | \$<br>700     | \$  | 700     |                   |
| Administrative and General | \$<br>189,528 | \$<br>211,896 | \$  | 22,368  | 11.80%            |
| Total OM&A Expenses        | \$<br>297,226 | \$<br>348,467 | \$  | 51,241  | 17.24%            |
| Inflation Rate             |               |               |     |         |                   |

|                            | 2011          |    | 2012     | V  | ariance | Percentage Change |
|----------------------------|---------------|----|----------|----|---------|-------------------|
|                            | Actuals       | F  | Forecast |    | \$      | %                 |
| Operations                 | \$<br>12,225  | \$ | 29,543   | \$ | 17,318  | 141.66%           |
| Maintenance                | \$<br>2,050   | \$ | 2,050    | \$ | -       | 0.00%             |
| Billing and Collecting     | \$<br>121,596 | \$ | 127,734  | \$ | 6,138   | 5.05%             |
| Community Relations        | \$<br>700     | \$ | 717      | \$ | 17      | 2.43%             |
| Administrative and General | \$<br>211,896 | \$ | 274,790  | \$ | 62,894  | 29.68%            |
| Total OM&A Expenses        | \$<br>348,467 | \$ | 434,834  | \$ | 86,367  | 24.78%            |
| Inflation Rate             |               |    |          |    |         |                   |

2

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1 The following sections provide explanations for material year over year variances.

## 2 2012 Test Year vs 2011 Bridge Year

- 3 OM&A expense in 2012 are projected to increase by \$86K over actual 2011 expenses.
- 4 The variance consists primarily of increases in Administrative and General Expenses
- 5 (\$62K). The variance in Administrative and General Expenses is principally attributable to
- 6 the following factors:

## 7 Operations: 17K

- costs associated with the inclusion of 2012 cost of service application including 3 years of IRM: \$35K
- 10 Admin and General Expenses: 62K
- costs associated with the 2012 cost of service application including 3 years of IRM: \$35K
- costs associated with the transition to International Financial Reporting Standards ("IFRS"): \$15K
- Other costs are attributed to office expenses.
- 16

## 17 **2011 Bridge Year vs 2010 Historical Actual**

OM&A expenses in 2011 increased by \$85K from 2010 actual expenses. The variance consists primarily of higher costs for Administrative and General Expenses (\$103K) and an increase in Operations of (19K). This increase is offset by a reduction of (40K) in Billing and Collection. The variance in Administrative and General Expenses is principally attributable to the following factors:

## 23 Operations: 19K

• Expenses in the amount of 10K related to Load Dispatching and a increased maintenance to Overhead Distribution Lines following inspection from the ESA

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1 2

## 3 Admin and General Expenses: 103K

Following a salary review by Hydro 2000's Board of Directors in 2008, it was decided that a salary increases was necessary to bring salaries to the level of the utility's cohorts (see Exhibit 4, Tab 4, Schedule 1). This was to be done over a 4 year period. As of 2011, salaries are considered to be in line with the utility's cohorts.

Hydro 2000 hired a part-time employee to cover the increased requirements
 surrounding conservation and demand side management. The Part-time
 employee also helps with day to day activities of the utility such as answering the
 phone, dealing with customers, assisting with billing and helps with basic
 regulatory filings.

14 Hydro 2000 decided to move its offices to a better suited location. Prior to moving 15 to its new location, the utility shared office space with other municipal 16 departments. The square footage of the utility was roughly 400 square feet. 17 Board meetings were held at a hall because the utility did not have a meeting room to accommodate its board or any consultants. The new location includes an 18 19 office of the part-time employee as well as a meeting room. The square footage of the new office is 1200 square feet. The utility purchased new and better fitting 20 office furniture for its new location. . 21

There was a slight increase in monthly rent from the old location to the new office
 location.

A lump sum in the amount of \$50 was paid Harris for the conversion of the old
 billing system to Harris's billing system.

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## 1 2010 Historical Actual vs 2009 Historical Actual

OM&A expenses in 2010 increased by \$29K from 2009 actual expenses. The increase
was due mainly to increase in Administrative & General Expenses (\$35K), largely offset
by decreasing costs for Operation as well as Maintenance.

### 5 Admin and General Expenses: 35K

The implementation of a new Customer Information System with increased software maintenance, increased labour by all office staff to learn the new system, and the shifting of the officer manager's time from administration to billing to spearhead the project and An adjustment to Salaries and Expenses in order to bring salaries to the level of the utility's cohorts (see Exhibit 4, Tab 4, Schedule 1): 8K

Regulatory expenses related to restatement of deferral and variance balances for
 the Global Adjustment. RRR filings were also revised accordingly. (\$30K)

The decrease in Distribution Expenses – Operation was mainly due to a decreased of
10K in Load Dispatching and a decrease in maintenance activities for overhead lines,
underground plant and substations.

17 2009 Historical Actual vs 2008 Historical Actual

OM&A expenses in 2009 increased by \$24K over 2008 actual expenses. The variance
consists primarily of higher costs for Administrative & General Expenses (\$9K) and
Operations (\$9K).

- 21 Admin and General Expenses: 9K
- An adjustment to Salaries and Expenses in order to bring salaries to the level of the utility's cohorts (see Exhibit 4, Tab 4, Schedule 1).

24

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### 1 Operations: 9K

- Expenses in the amount of 10K related to Load Dispatching and a increased
   maintenance to Overhead Distribution Lines following inspection from the ESA
- 4

## 5 2008 Historical Actual vs 2008 EDR Board-Approved

- 6
- 7 OM&A for 2008 Actuals were 18K lower than the 2008 Board Approved projections. The
- 8 reduction affected the Administration & General Expense (16K).
- 9

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 4 Tab 4

Exhibit 4: Operating Costs

# Tab 4 (of 8): Employee Compensation

| File Number:<br>Exhibit:<br>Tab:<br>Schedule:<br>Page: | EB-20XX-XXXX | 4<br>4<br>1 |
|--------------------------------------------------------|--------------|-------------|
| Page:<br>Date:                                         | Aug 26,2011  | 1           |
| Date.                                                  | Aug 20,2011  |             |

### Appendix 2-K Employee Costs

|                                                                      | LRY - Board |                 |                   |                   | Deldes Vers | Test            |
|----------------------------------------------------------------------|-------------|-----------------|-------------------|-------------------|-------------|-----------------|
|                                                                      | Approved    | LRY - Actual    | Historical Year 2 | Historical Year 1 | Bridge Year | Test Year       |
| Number of Employees (FTEs including Pa                               |             |                 | 1                 |                   |             |                 |
| Executive                                                            | 1           | 1               | 1                 | 1                 | 1           | 1               |
| Management<br>Non-Union                                              | 1           | 1               | 1                 | 1                 | 1           | 1               |
| Union                                                                |             |                 |                   |                   |             |                 |
| Total                                                                | 2           | 2               | 2                 | 2                 | 2           | 2               |
| Number of Part-Time Employees                                        |             |                 |                   |                   |             |                 |
| Executive                                                            |             |                 |                   |                   |             |                 |
| Management<br>Non-Union                                              |             | -               | -                 | -                 | - 1         | - 1             |
| Union                                                                |             |                 |                   |                   | I           | 1               |
| Total                                                                | -           | -               | -                 | -                 | 1           | 1               |
| Total Salary and Wages                                               |             |                 |                   |                   |             |                 |
| Executive                                                            |             | \$ 107,000      | \$ 109,222        | \$ 117,700        | \$ 138,850  | \$ 151,260      |
| Management<br>Non-Union                                              |             |                 |                   |                   |             |                 |
| Union                                                                |             |                 |                   |                   |             |                 |
| Total                                                                | \$-         | \$ 107,000      | \$ 109,222        | \$ 117,700        | \$ 138,850  | \$ 151,260      |
| Current Benefits                                                     |             |                 |                   |                   |             |                 |
| Executive                                                            |             | \$ 11,196       | \$ 10,622         | \$ 8,064          | \$ 11,224   | \$ 12,082       |
| Management                                                           |             |                 |                   |                   |             |                 |
| Non-Union<br>Union                                                   |             |                 |                   |                   |             |                 |
| Total                                                                | \$-         | \$ 11,196       | \$ 10,622         | \$ 8,064          | \$ 11,224   | \$ 12,082       |
| Accrued Pension and Post-Retirement Be                               |             |                 |                   |                   |             |                 |
| Executive                                                            |             |                 |                   |                   | \$-         | \$ -            |
| Management                                                           |             |                 |                   |                   |             |                 |
| Non-Union                                                            |             |                 |                   |                   |             |                 |
| Union<br>Total                                                       | \$-         | \$-             | \$-               | \$-               | \$-         | \$-             |
| Total Benefits (Current + Accrued)                                   | Ψ           | Ψ               | Ψ                 | Ψ                 | Ψ           | Ψ               |
| Executive                                                            | \$-         | \$ 11,196       | \$ 10,622         | \$ 8,064          | \$ 11,224   | \$ 12,082       |
| Management                                                           | \$-         | \$-             | \$-               | \$-               | \$-         | \$ -            |
| Non-Union                                                            | \$ -        | \$ -            | \$ -              | \$ -              | \$ -        | \$ -            |
| Union                                                                | \$-<br>\$-  | \$-<br>\$11,196 | \$ -<br>\$ 10,622 | \$ -              | \$ -        | \$-<br>\$12,082 |
| Total<br>Total Compensation (Salary, Wages, & Be                     | Ŧ           | φ 11,196        | \$ 10,622         | \$ 8,064          | \$ 11,224   | \$ 12,082       |
| Executive                                                            | \$ -        | \$ 118,196      | \$ 119,844        | \$ 125,764        | \$ 150,074  | \$ 163,342      |
| Management                                                           | \$ -        | \$ -            | \$ -              | \$ -              | \$ -        | \$ -            |
| Non-Union                                                            | \$-         | \$-             | \$-               | \$-               | \$-         | \$-             |
| Union                                                                | \$-         | \$ -            | \$ -              | \$ -              | \$ -        | \$ -            |
| Total<br>Compensation - Average Yearly Base Wag                      | \$ -        | \$ 118,196      | \$ 119,844        | \$ 125,764        | \$ 150,074  | \$ 163,342      |
| Executive                                                            | 62          | 1               |                   | 1                 |             |                 |
| Management                                                           |             |                 |                   |                   |             |                 |
| Non-Union                                                            |             |                 |                   |                   |             |                 |
| Union                                                                |             |                 |                   |                   |             |                 |
| Total                                                                |             |                 |                   |                   |             |                 |
| Compensation - Average Yearly Overtime<br>Executive                  |             |                 |                   |                   |             |                 |
| Management                                                           |             |                 |                   |                   |             |                 |
| Non-Union                                                            |             |                 |                   |                   |             |                 |
| Union                                                                |             |                 |                   |                   |             |                 |
| Total                                                                |             |                 |                   |                   |             |                 |
| Compensation - Average Yearly Incentive<br>Executive                 | Рау         |                 | 1                 |                   |             |                 |
| Executive<br>Management                                              |             |                 |                   |                   |             |                 |
| Non-Union                                                            |             |                 |                   |                   |             |                 |
| Union                                                                |             |                 |                   |                   |             |                 |
| Total                                                                |             |                 |                   |                   |             |                 |
| Compensation - Average Yearly Benefits                               |             |                 |                   |                   |             |                 |
| Executive<br>Management                                              |             |                 |                   |                   |             |                 |
| Non-Union                                                            |             |                 |                   |                   |             |                 |
| Union                                                                |             |                 |                   |                   |             |                 |
| Total                                                                |             |                 |                   |                   |             |                 |
|                                                                      |             |                 |                   |                   | •           |                 |
| Total Compensation                                                   | \$-         | \$ 118,196      | \$ 119,844        | \$ 125,764        | \$ 150,074  | \$ 163,342      |
| Total Compensation Charged to OM&A<br>Total Compensation Capitalized | \$-         | \$ 118,196      | \$ 119,844        | \$ 125,764        | \$ 150,074  | \$ 163,342      |
| Total Sompensation Capitanzeu                                        |             | 1 10,190        | ιψ 110,044        | I ₩ 120,704       | φ 100,074   | ÷ 100,0+2       |

Note:

<sup>1</sup> If an applicant wishes to use headcount, it must also file the same schedule on an FTE basis.

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 4 Tab 4 Schedule 1 Attachment 1 Page 1 of 2

#### Staffing and Compensation Levels 1 2 Table 4.4.1 at the previous schedule presents a breakdown of Hydro 2000's staffing 3 levels and employee compensation costs. The executive salary is aggregated with 4 5 management salaries, in accordance with Board policy that states: Where there are 6 three or fewer employees in any category, the applicant may aggregate this category with the category to which it is most closely related.<sup>1</sup> 7 8 9 Hydro 2000 has 3 employees, a General Manager, and Administrative Assistant as well 10 as a part-time employee. 11 12 Both non-union employees' compensation levels are reviewed by the general manager and the Board of Directors 13 14 15 In 2007, Hydro 2000's and Alfred Plantagenet Township, started a review of the salaries 16 for, management and administrative staff. The committee initially did a comparison of the 17 general manager's salary with those in surrounding utilities and utilities of a similar size, as well as salaries of local executives. As a result of this review, the general manager's 18 19 salary was partly adjusted in late 2008. Since the General Manager's salary was far below those of the comparators (equivalent to a CSR at a utility in the GTA) it was 20 21 decided that further adjustments to management salaries over a number of years was 22 necessary in order to bring these to their cohorts' levels. The total adjustment over a 23 period of 4 years was 16K. 24 25 In December of 2010, Hydro 2000's administrative assistant of 20 years retired. The position of administrative assistant was posted, with the successful candidate being 26 27 hired in January of 2011.

<sup>&</sup>lt;sup>1</sup> Ontario Energy Board, <u>Chapter 2 of the Filing Requirements for Transmission and Distribution</u> <u>Applications</u>, May 27, 2009, page 15

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## Table 1: Staffing Levels by Department

| Management | 1   |
|------------|-----|
| Non-union  | 1   |
| Part time  | 0.5 |

2

1

- 3 Hydro 2000 does not pay Extended Health Care Plan, Dental Plan, Vision Plan, Life
- 4 Insurance nor Long Term Disability Plan. An option of RRSP matching is available up to
- 5 7% of employee salary.

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 4 Tab 5

Exhibit 4: Operating Costs

# Tab 5 (of 8): Corporate Cost Allocations

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 4 Tab 5 Schedule 1 Page 1 of 1

1

# Shared Service & Corporate Cost Allocation

2

As defined by the Board, Shared Services is the concentration of a company's resources performing like activities (typically spread across the organization) in order to service affiliates (and/or a parent company), with the intention of achieving lower costs and higher service levels.

7

8 Hydro 2000 does not have any affiliates and having only 3 employees, does not have

9 shared services or allocate corporate costs.

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 4 Tab 6

Exhibit 4: Operating Costs

# Tab 6 (of 8): Purchase of Non-Affiliate Services

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 4 Tab 6 Schedule 1 Page 1 of 1

## **Purchases from Suppliers**

1 2

3 Hydro 2000 purchases supplies and services from third parties in order to distribute 4 electricity to its customers. Attachment 1-4 lists Hydro 2000's expenditures on 5 purchased products and services in 2008, 2009, 2010 and up to June 2011, from any 6 single supplier. While spending projections are not prepared on this basis. Hydro 2000 7 expects its pattern of expenditures to remain generally consistent with recent history, 8 except for material variances in expenses for Operations, Maintenance and 9 Administration (see Exhibit 4, Tab 3, Schedule 1) and planned capital projects (see 10 Exhibit 2, Tab 4, Schedule 3).

11

Hydro 2000 purchases equipment, materials and services in a cost effective manner, with full consideration give to price as well as product quality, availability, the ability to deliver on time, reliability, compliance with ESA as well as engineering specifications and quality of services. Vendors are screened to ensure knowledge, reputation, and the capability to meet Hydro 2000's needs. The procurement of goods and services for Hydro 2000 is carried out with the highest of ethical standards and consideration to the public nature of the expenditures.

## 19 Purchase Authorization

20 Major purchases are acquired through a tender process, while purchases of lesser 21 values are purchased using a quotation system. The General Manager submits 22 recommendation while the Board of Director approves all major purchases.

23

24 Hydro 2000's Board of Directors approves the capital and operating budgets annually.

#### ANNÉE: 2008

| NOM ENTREPRISE                  | Janvier      | Février     | Mars          | Avril         | Mai                    | Juin             | Juillet                         | Août          | Septembre     | Octobre       | Novembre      | Décembre      | TOTAL              |
|---------------------------------|--------------|-------------|---------------|---------------|------------------------|------------------|---------------------------------|---------------|---------------|---------------|---------------|---------------|--------------------|
| 1 B&C                           | \$ -         | \$ 244.07   | \$ 220.35     | \$-           | \$-                    | \$-              | \$-                             | \$ 93.23      | \$ 372.35     | \$-           | \$-           | \$ 112.99     | \$ 1,042.99        |
| 2 Bay Cadd                      | \$ -         | \$ -        | \$-           | \$ -          | \$ -                   | \$ -             | \$-                             | \$-           | \$-           | \$-           | \$ 110.25     | \$-           | \$ 110.25          |
| 3 Bell                          | \$ -         | \$ 1,922.67 | \$ 232.03     | \$ 254.57     | \$ 2,428.8             | 2 \$ 248.19      | \$ 243.71                       | \$ 236.59     | \$ 238.63     | \$ 238.11     | \$ -          | \$ 485.90     | \$ 6,529.22        |
| 4 Bell Mobilité                 | \$ 54.72     | \$ 57.11    | \$ -          | \$ 67.61      | \$ 56.2                |                  | \$ -                            | \$ 61.14      | \$ 53.25      | \$ 143.62     | \$ 84.05      | \$ 69.96      | \$ 705.19          |
| 5 Canton D'alfred & Plantagenet | \$ 965.59    | \$ -        |               |               | \$ 720.2               |                  | \$ 1,440.48                     | \$ 720.24     | \$ 720.24     | \$ 720.24     | \$ 22,044.68  | \$ 720.24     | \$ 51,634.31       |
| 6 Charbonneau Bercier Taillon   |              | \$ -        |               |               | \$ -                   | \$ -             | \$ 1, <del>110.10</del><br>\$ - | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ 2,051.29        |
| 7 Christies & Walter            | \$ 1,499.91  | \$ 168.19   |               |               | \$ 168.1               |                  | \$ 203.45                       | \$ 180.85     | \$ 180.85     | \$ 214.70     | \$ 180.05     | \$ 169.62     | \$ 3,519.77        |
|                                 | . ,          |             | ÷             |               |                        |                  |                                 |               |               |               |               |               | 1 1/2              |
| 8 Deloitte                      | \$ -         | <u>\$</u> - | \$-           |               | <u>\$</u> -            | \$ -             | \$-                             | \$-           | \$ -          | \$ -          | \$ 2,887.50   | \$-           | \$ 17,902.50       |
| 9 Dicom                         | \$ -         | <u>\$</u> - |               |               | \$ -                   | \$ -             | \$ -                            | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ 160.13          |
| 10 Elenchus                     | \$ -         | <u></u> -   |               |               | \$ -                   | \$ -             | \$-                             | \$-           | \$ 118.13     | \$ -          | \$ -          | \$ -          | \$ 118.13          |
| 11 ESM Computer service         | \$ -         | \$ -        | \$ 98.44      | \$ -          | \$ -                   | \$ -             | \$-                             | \$ -          | \$ -          | \$ -          | \$-           | \$ -          | \$ 98.44           |
| 12 Gazda Houlne                 | \$ 3,964.40  | \$-         |               | \$-           | \$-                    | \$ -             | \$-                             | \$-           | \$-           | \$-           | \$-           | \$-           | \$ 3,964.40        |
| 13 Harris                       | \$ -         | \$ -        |               | \$ -          | \$-                    | \$-              | \$-                             | \$-           | \$-           | \$-           | \$-           | \$-           | \$-                |
| 14 Hydro 2000 Électricité       | \$ -         | \$-         | \$ -          | \$ -          | \$-                    | \$ -             | \$ -                            | \$ -          | \$-           | \$ -          | \$ -          | \$-           | \$-                |
| 15 Hydro Embrun                 | \$-          | \$-         | \$-           | \$-           | \$ -                   | \$-              | \$ -                            | \$-           | \$-           | \$-           | \$-           | \$-           | \$-                |
| 16 Hydro Hawkesbury             | \$ -         | \$ -        | \$ -          | \$ -          | \$ -                   | \$ -             | \$ -                            | \$ -          | \$ -          | \$ -          | \$-           | \$ -          | \$ -               |
| 17 Hydro one                    | \$ -         | \$ -        | \$ 245,002.43 | \$ 247,222.51 | \$ 261,699.7           | 7 \$ 165,448.97  | \$ 133,779.94                   | \$ 139,212.48 | \$ 154,567.36 | \$ 130,995.71 | \$ 108,813.58 | \$ 159,671.05 | \$ 1,746,413.80    |
| 18 Hydro Ottawa                 | \$ -         | \$ 508.50   | . ,           | \$ -          | \$ 528.8               |                  | \$ -                            | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ 1,037.34        |
| 19 IGS                          | \$ -         | \$ -        | Ŧ             | \$ 136.48     | \$ 68.2                |                  | \$ 68.24                        | \$ 73.49      | \$ 73.49      | \$ 73.49      | \$ 73.49      | \$ 73.49      | \$ 708.65          |
| 20 Imprimerie Serge             | \$ -         | \$ -        | Ŧ             |               | \$ 167.2               |                  | \$ -                            | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ 393.81          |
| 21 Le Carillon                  | φ -<br>\$ -  | ş -<br>\$ - |               |               | \$ -                   | \$ -             | ş -<br>\$ -                     | \$ -          | φ -<br>\$ -   | ş -           | \$ -          | \$ 714.00     | \$ 714.00          |
| 22 Levac Robichaud Leclerc      | ş -<br>\$ -  | ş -<br>\$ - |               |               | <del>\$</del> -        | ş -<br>\$ -      | ş -<br>\$ -                     | ş -<br>\$ -   | ş -<br>\$ -   | ş -<br>\$ -   | ş -<br>\$ -   | \$ 346.50     | \$ 346.50          |
|                                 |              |             |               |               |                        |                  |                                 | -<br>с        |               |               |               |               |                    |
| 23 Marcel Gaudreau              | \$ -<br>\$ - | <u>\$</u> - | Ŧ             | \$ -          | <u>\$</u> -            | \$ -             | \$ 972.00                       | \$ -<br>\$ -  | Ŧ             | \$ -          | \$ -          | \$ -          |                    |
| 24 Mearie                       | Ŷ            | <u>\$</u> - | Ŷ             |               | Ψ                      | \$ -<br>5 6 0100 | \$ -<br>\$ 0.000.50             | Ŷ             | \$ -          | \$ -          | \$ 2,113.56   | \$ -          | \$ 2,113.56        |
| 25 ORPC                         | \$ 2,117.33  | \$ -        | 1 /           | 1 11 1        | \$ 2,098.1             |                  | \$ 2,288.52                     | \$ 2,249.92   | \$ 2,917.89   | \$ 5,050.76   | \$ 31.33      | \$ 59,728.56  | \$ 84,310.38       |
| 26 Pitney bowes                 | \$ -         | \$ -        | \$ -          | \$ -          | \$ -                   | \$ -             | \$ 107.30                       | \$ -          | \$ -          | \$ 113.00     | \$ -          | \$ -          | \$ 220.30          |
| 27 Proxim Plantagenet           | \$ -         | \$ -        | Ŧ             | \$ 44.29      | \$ -                   | \$ -             | \$ -                            | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ 44.29           |
| 28 Rona                         | \$-          | ş -         | ÷             |               | \$ 125.2               |                  | \$ 6.78                         | \$-           | \$ 40.64      | \$-           | \$ 42.64      | \$-           | \$ 333.16          |
| 29 Sproule                      | \$ -         | \$ -        |               | \$ 1,947.75   | \$ 6,891.1             |                  | \$ 742.35                       | \$ 3,930.42   | \$ 724.50     | \$ 2,455.44   | \$ 2,753.64   | \$ 3,462.39   | \$ 32,278.40       |
| 30 Tribune Express              | \$ -         | \$ -        | \$ -          | \$ -          | \$-                    | \$-              | \$-                             | \$ -          | \$-           | \$ -          | \$-           | \$ 674.73     | \$ 674.73          |
| 31 Unlimitel                    | \$-          | \$-         | \$-           | \$-           | \$-                    | \$-              | \$ -                            | \$ 37.12      | \$-           | \$-           | \$ 37.12      | \$-           | \$ 74.24           |
| 32 Vitech                       | \$-          | \$-         | \$ 1,572.96   | \$ 340.36     | \$ 120.6               | 3 \$ 1,663.08    | \$ 238.71                       | \$-           | \$-           | \$ 1,337.64   | \$-           | \$ 47.74      | \$ 5,321.12        |
| 33 Lakefront utilities          | \$ -         | \$-         | \$ -          | \$-           | \$ 354.3               | 8\$-             | \$-                             | \$-           | \$ -          | \$ -          | \$-           | \$-           | \$ 354.38          |
| 34 Lakeport utilities           | \$ -         | \$ -        | \$-           | \$ -          | \$ -                   | \$ 3,559.50      | \$ -                            | \$-           | \$-           | \$ -          | \$-           | \$-           | \$ 3,559.50        |
| 35 Canada Post                  | \$ -         | \$ -        | \$-           | \$ -          | \$ -                   | \$ -             | \$ -                            | \$ -          | \$-           | \$ 163.80     | \$-           | \$-           | \$ 163.80          |
| 36 Hydro london                 | \$ -         | \$ -        | \$ -          | \$ -          | \$ -                   | \$ -             | \$ -                            | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -               |
| 37 JP Design                    | \$ -         | \$ -        | \$ -          | \$ -          | \$ -                   | \$ -             | \$ -                            | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -               |
| 38 Emond Harnden Assoc.         | \$ -         | \$ -        | \$ -          | \$ -          | \$ -                   | \$ -             | \$-                             | \$-           | \$ -          | \$ -          | \$ -          | \$-           | \$ -               |
| 39 Ekstrom Industries           | \$ -         | \$ -        |               | \$ -          | \$ -                   | \$ -             | \$ -                            | \$ -          | \$-           | \$ -          | \$ -          | \$-           | \$ -               |
| 40 Elster                       | \$-          | \$ -        |               | Ŧ             | \$ -                   | \$ -             | \$-                             | \$-           | \$-           | \$-           | \$-           | \$-           | \$-                |
| 41 Quasar                       | \$ -         | \$ -        | \$-           | \$ -          | \$ -                   | \$ -             | \$ 2,083.07                     | \$-           | \$-           | \$-           | \$-           | \$-           | \$ 2,083.07        |
| 42 Border Ladner & Gervais      | ş -<br>\$ -  | ş -<br>\$ - |               | ş -<br>\$ -   | <del>\$</del> -        | ş -<br>\$ -      | \$ 2,003.07                     | ş -<br>\$ -   | \$-           | ş -<br>\$ -   | ş -<br>\$ -   | ş -<br>\$ -   | \$ 2,003.07        |
| 43 Stewart Electric             | ş -<br>\$ -  | \$ -<br>\$  | ş -<br>S -    | ş -<br>\$ -   | <del>, -</del><br>\$ - | ş -<br>\$ -      | ş -<br>\$ -                     | ş -<br>\$ -   | ş -<br>\$ -   | ş -<br>\$ -   | ş -<br>\$ -   | ş -<br>\$ -   | \$ -               |
|                                 |              |             |               | Ŧ             | 7                      |                  |                                 | Ŧ             | Ŧ             | Ŧ             | Ŧ             |               | Ŧ                  |
|                                 |              | <u>\$</u> - | \$ -<br>\$ -  | \$ -<br>¢     | <u>\$</u> -            | \$ -             | Ŧ                               | \$ -<br>\$ -  | <u>\$</u> -<br>\$- |
| 45 Wave Runner                  | Ŷ            | <u>\$</u> - |               |               | <u>\$</u> -            | \$ -             | Ŷ                               | Ŷ             | Ŧ             | Ŷ             | Ŧ             | Ψ             | φ                  |
| 46 Journal Le Mousquetaire      | \$ -         | <u>\$</u> - |               |               | \$ -                   | \$ -             | \$-                             | \$-           | \$ -          | \$-           | \$ -          | \$-           | \$ -               |
| 47 D & A                        | \$ -         | <u>\$</u> - |               |               | <u>\$</u> -            | \$ -             | \$ -                            | \$ -          | \$ -          | \$ -          | \$ -          | \$-           | \$ -               |
| 48 Journal Le Régional          | \$ -         | <u>\$</u> - | \$-           | \$ -          | \$ -                   | \$ -             | \$ -                            | \$ -          | \$ -          | \$ -          | \$ -          | \$-           | <u>\$</u> -        |
| 49 Util Assist                  | \$-          | <u>\$</u> - |               |               | \$ -                   | \$ -             | \$ -                            | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -               |
| 50 Journal Vision               | \$-          | \$-         | \$-           | \$ -          | \$-                    | \$ -             | \$-                             | \$-           | \$-           | \$-           | \$-           | \$-           | \$ -               |
| 51 Journal Le droit             | \$-          | \$-         | \$-           | \$ -          | \$ -                   | \$ -             | \$-                             | \$-           | \$-           | \$-           | \$-           | \$-           | \$ -               |
| 52 Journal Le Reflet            | \$ -         | \$-         | \$-           | \$ -          | \$-                    | \$-              | \$ -                            | \$-           | \$-           | \$-           | \$-           | \$-           | \$ -               |
| 53 Vertico Plus                 | \$-          | \$-         | \$-           | \$ -          | \$-                    | \$-              | \$-                             | \$-           | \$-           | \$ -          | \$-           | \$-           | \$ -               |
| 54 Home Hardware                | \$-          | \$-         | \$-           | \$-           | \$-                    | \$ -             | \$-                             | \$-           | \$-           | \$-           | \$-           | \$-           | \$ -               |
| 55 Marc Lavergne                | \$ -         | \$ -        | \$-           | \$ -          | \$ -                   | \$-              | \$-                             | \$-           | \$-           | \$-           | \$-           | \$-           | \$-                |
| 56 Léo Beaulne Webdesign        |              | \$ -        |               |               | \$ -                   | \$ -             | \$ -                            | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -               |
| 57 Martin Beaulne Webdesign     |              | \$ -        |               |               | \$ -                   |                  | \$-                             | \$-           | \$-           | \$-           | \$ -          | \$-           | \$ -               |
| 58 Bureau En Gros               |              | \$ -        |               |               | \$ -                   |                  | \$-                             | \$-           | \$-           | \$-           | \$ -          | \$-           | \$ -               |
| 59 Protectron                   |              | \$ -        |               |               | \$ -                   | \$ -             | \$ -                            | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -               |
| 60 Monique BastienTraductrice   |              | ş -<br>\$ - |               |               | \$ -                   | ş -<br>\$ -      | ş -<br>\$ -                     | ş -<br>\$ -   | ş -<br>\$ -   | ş -<br>Ş -    | \$ -          | ş -<br>\$ -   | ş -<br>\$ -        |
|                                 |              |             |               |               |                        | \$ 5,196.75      |                                 |               |               |               |               |               | \$ 5,196.75        |
| 61 Vecc                         |              | <u>\$</u> - |               |               | <u>\$</u> -            |                  |                                 | \$ -          | \$ -          | \$ -          | \$ -<br>¢     | \$ -          |                    |
| 61 TOTAL                        | \$ -         | \$-         | \$ -          | \$ -          | \$-                    | \$ -             | \$-                             | \$-           | \$-           | \$-           | \$-           | \$-           | \$ 1,975,150.40    |

#### ANNÉE: 2009

| NOM ENTREPRISE                                    | Janvier     | Février           | Mars        | Avril        | Mai       | Juin                 | Juillet       | Août          | Septembre     | Octobre       | Novembre        | Décembre      | TOTAL           |
|---------------------------------------------------|-------------|-------------------|-------------|--------------|-----------|----------------------|---------------|---------------|---------------|---------------|-----------------|---------------|-----------------|
| 1 B&C                                             | \$ 604.51   | \$ -              | \$ -        | \$-          | \$ 383.05 | \$-                  | \$ -          | \$ -          | \$ 768.35     | \$ 364.89     | \$ -            | \$ 310.75     | \$ 2,431.55     |
| 2 Bay Cadd                                        | \$ -        | \$ -              | \$ -        | \$-          | \$-       | \$-                  | \$-           | \$ -          | \$ -          | \$ -          | \$ -            | \$-           | \$ -            |
| 3 Bell                                            | \$ 238.00   | \$ 244.05         | \$ 2,422.40 | \$ 243.80    | \$ 251.32 | \$ 294.74            | \$ 246.56     | \$ 244.01     | \$ 250.62     | \$ 982.30     | \$ 488.55       | \$ 398.57     | \$ 6,304.92     |
| 4 Bell Mobilité                                   | \$ 55.63    | \$ -              | \$ 108.54   | \$ -         | \$ 51.89  | \$ -                 | \$ 59.02      | \$ 85.55      | \$ 154.47     | \$ 60.72      | \$ 72.77        | \$ 58.34      | \$ 706.93       |
| 42 Border Ladner & Gervais                        | \$ -        | \$ -              |             |              |           | \$-                  |               | \$ -          | \$ -          | \$ -          | \$ -            | \$ -          | \$ 1,063.01     |
| 35 Canada Post                                    |             | Ŧ                 |             |              |           | \$-                  | \$ -          | \$ -          | \$ 170.10     | \$-           | \$ -            | \$-           | \$ 644.71       |
| 5 Canton D'alfred & Plantagenet                   | 1 2 2 2     | Ŧ                 |             |              |           | \$ 78,102.09         | <b>v</b>      | \$ 734.95     | \$ 734.95     |               | \$ -            | \$ 734.95     | \$ 85,451.59    |
| 6 Charbonneau Bercier Taillon                     |             | \$ 1,792.80       |             |              |           | \$ 70,102.00<br>\$ - | \$ 270.00     | ¢ 104.00      | \$ -          | \$ -          | ¢               | \$ -          | \$ 2,062.80     |
| 7 Christies & Walter                              |             |                   | Ŧ           | Ŧ            | Ŧ         | \$                   |               | \$ 188.99     | \$ 188.99     | \$ 222.84     | \$ 188.99       | \$ 177.75     | \$ 2,360.89     |
| 8 Deloitte                                        | •           | \$ 100.00<br>\$ - |             |              |           |                      |               | -             |               | •             |                 |               |                 |
|                                                   | Ŧ           | Ŧ                 |             | <del>,</del> | 1 1       | Ŧ                    | Ŧ             | <u>\$</u> -   |               |               | - <b>T</b>      | \$ 7,087.50   | +               |
| 9 Dicom                                           | Ŧ           | \$ -              |             |              |           | \$-                  |               | \$ -          | <u>\$</u> -   | \$-           | <u>\$</u> -     | \$ -          | \$ 29.07        |
| 39 Ekstrom Industries                             |             |                   |             |              |           | \$ 1,024.63          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -            | \$-           | \$ 1,024.63     |
| 10 Elenchus                                       | Ŧ           |                   | Ŧ           |              |           | \$-                  | \$ -          | \$ -          | \$ -          | \$ -          | \$ -            | \$-           | \$ -            |
| 40 Elster                                         |             |                   |             |              |           |                      | \$ 137,934.13 | \$ 9,610.34   | \$ 9,190.00   | \$ 967.85     | \$ 836.20       | \$-           | \$ 181,138.52   |
| 38 Emond Harnden Assoc.                           |             | \$-               |             |              |           | \$-                  | ş -           | ş -           | \$-           | \$-           | \$-             | \$-           | \$ 352.78       |
| 11 ESM Computer service                           | \$-         | \$ -              | \$ 196.88   | \$ 295.31    | \$-       | \$-                  | \$-           | \$ -          | \$-           | \$ -          | \$-             | \$-           | \$ 492.19       |
| 12 Gazda Houlne                                   |             | \$ -              | Ŧ           | Ŧ            |           | \$-                  | \$ -          | \$ -          | \$-           | \$ -          | \$-             | \$-           | \$-             |
| 44 Grey Hawk                                      | \$-         | \$-               | \$ -        | \$-          | \$-       | \$-                  | \$-           | \$ 523.26     | \$-           | \$-           | \$-             | \$-           | \$ 523.26       |
| 13 Harris                                         | \$-         | \$ -              | \$ -        | \$-          | \$-       | \$-                  | \$ -          | \$ -          | \$-           | \$ -          | \$ -            | \$-           | \$ -            |
| 14 Hydro 2000 Électricité                         | \$-         | \$-               | \$ -        | \$-          | \$-       | \$-                  | \$-           | \$-           | \$-           | \$-           | \$-             | \$-           | \$ -            |
| 15 Hydro Embrun                                   | \$ -        | \$ -              | \$ -        | \$ -         | \$ -      | \$-                  | \$ -          | \$ -          | \$ -          | \$ -          | \$ -            | \$ -          | \$ -            |
| 16 Hydro Hawkesbury                               | \$ -        | \$ -              | \$ -        | \$-          | \$ -      | \$-                  | \$ -          | \$ -          | \$ -          | \$ -          | \$ -            | \$ -          | \$ -            |
| 36 Hydro London                                   |             | \$ -              | Ŧ           | Ŧ            | Ŧ         | \$-                  | \$-           | \$ -          | \$-           | \$-           | \$-             | \$-           | \$ 2,860.01     |
| 17 Hydro one                                      |             |                   |             |              |           | \$ 165,389.73        | \$ 142,595.60 | \$ 134,434.99 | \$ 148,908.11 | \$ 150,089.68 | \$ 119,700.93   | \$ 172,345.80 | \$ 2.294.215.76 |
| 18 Hydro Ottawa                                   | \$ 481.38   | \$ -              |             |              |           | \$ -                 | \$ -          | \$ -          | \$ -          | \$ -          | \$ -            | \$ -          | \$ 481.38       |
| 19 IGS                                            | \$ 73.49    | \$ 73.49          | Ŧ           |              | Ŧ         | \$-                  | \$ -          | \$ -          | \$-           | \$-           | \$ -            | \$-           | \$ 881.88       |
| 20 Imprimerie Serge                               | \$ -        | \$ -              |             | Ŧ            |           | ¢<br>\$-             | \$-           | \$ -          | \$-           | \$ 242.95     | \$ -            | \$-           | \$ 676.87       |
| 46 Journal Le Mousquetaire                        | φ -<br>\$ - | \$-<br>\$-        | - <b>T</b>  |              |           | \$-<br>\$-           | \$ -          | \$ -<br>\$ -  | \$ -          | \$ -          | \$ -            | \$ 525.00     | \$ 525.00       |
| 37 JP Design                                      |             | \$-<br>\$-        |             |              |           | φ -<br>\$ -          | φ -<br>\$ -   | \$ -          | \$ -          | \$ 61.02      | \$ -            | \$ 41.82      | \$ 139.00       |
| 33 Lakefront utilities                            |             |                   |             |              |           | ş -<br>\$ -          | ş -<br>\$ -   | ş -<br>\$ -   | ş -<br>\$ -   | \$ -          | ş -<br>S -      | \$ -          | \$ -            |
|                                                   |             |                   |             |              |           | ş -<br>\$ -          | ş -<br>\$ -   | ş -<br>\$ -   | ş -<br>\$ -   | ş -<br>\$ -   | ş -<br>\$ -     | ş -<br>\$ -   |                 |
| 34 Lakeport utilities<br>21 Le Carillon (Journal) |             | ş -<br>\$ -       |             |              |           |                      |               | ş -<br>\$ -   |               |               | ş -<br>\$ -     | 1             | ¥               |
|                                                   |             | а<br>с            |             |              |           | \$-<br>\$-           |               | -             | \$ -<br>\$ -  | \$ -<br>\$ -  |                 |               | \$ -<br>\$ -    |
|                                                   | Ŧ           | ş -               | Ŧ           | Ŧ            | Ŧ         |                      | \$ -          | <u>\$</u> -   |               |               | <del>\$</del> - | Ŧ             | Ŧ               |
| 23 Marcel Gaudreau                                |             |                   |             |              |           | \$-                  | \$ 1,523.95   | \$ -          | \$ 780.00     | \$ 660.00     | \$ 330.00       | \$-           | \$ 3,293.95     |
| 24 Mearie                                         | \$ -        | \$ 91.80          | Ŧ           | Ŧ            | Ŧ         | \$-                  | \$ -          | <u>\$</u> -   | \$ -          | \$ -          | \$ 1,483.84     | \$ -          | \$ 1,575.64     |
| 25 ORPC                                           |             | \$ 2,570.76       | 1 1 1 1 1   | 1 1 1        | 1 1       | \$ 5,093.24          | \$-           | \$ 2,206.68   | \$ 5,135.98   | \$-           | \$ 23,945.40    | \$ 437.76     | \$ 47,393.18    |
| 26 Pitney bowes                                   | \$-         | ş -               |             |              | 1         | \$-                  | \$ -          | \$ -          | \$ -          | \$ -          | \$ -            | \$-           | \$ -            |
| 27 Proxim Plantagenet                             | Ŧ           | -                 | Ŧ           |              |           | \$-                  | \$ -          | \$ -          | \$ -          | \$ -          | \$ -            | \$-           | \$ -            |
| 41 Quasar                                         |             |                   |             |              |           | \$ 2,113.71          | \$ -          | \$ -          | \$-           | \$ -          | \$ -            | \$-           | \$ 2,113.71     |
| 28 Rona                                           |             | \$ -              |             |              |           | \$ 98.30             | \$ -          | \$ -          | \$ 328.32     | \$ 63.87      | \$ -            | \$ -          | \$ 639.35       |
| 29 Sproule                                        | 1 7         | -                 |             |              |           | \$ 105.00            | \$ 14,257.96  | \$ 3,368.94   | \$ 14,307.05  | \$ 6,071.64   | \$ 31,881.63    | \$ 3,868.99   | \$ 105,636.45   |
| 43 Stewart Electric                               |             | \$ -              | Ŧ           | Ŧ            |           | \$-                  | \$ -          | \$ -          | \$ 392.32     | \$ -          | \$ 1,033.00     | \$-           | \$ 1,425.32     |
| 30 Tribune Express (Journal)                      |             |                   |             |              |           | \$-                  | \$ -          | \$-           | \$ -          | \$ -          | \$-             | \$-           | \$-             |
| 31 Unlimitel                                      | \$ -        |                   | Ŧ           | Ŧ            |           | \$-                  | \$ -          | \$ 148.48     | \$-           | \$ -          | \$-             | \$-           | \$ 222.72       |
| 32 Vitech                                         |             | -                 |             |              |           | \$-                  |               | \$-           |               | \$ 128.82     | \$-             | \$-           | \$ 833.09       |
| 45 Wave Runner                                    |             | \$-               |             |              |           | \$-                  | \$ -          | \$ -          | \$ 1,081.34   | \$-           | \$-             | \$-           | \$ 1,081.34     |
| 47 D & A                                          | \$-         | \$-               | \$ -        | \$-          | \$-       | \$-                  | \$ -          | \$ -          | \$-           | \$-           | \$-             | \$ -          | \$ -            |
| 48 Journal Le Régional                            |             |                   |             |              |           | \$-                  | \$-           | \$ -          | \$-           | \$-           | \$-             | \$-           | \$ -            |
| 49 Util Assist                                    | \$-         | \$-               | \$ -        | \$-          | \$-       | \$-                  | \$-           | \$-           | \$-           | \$-           | \$-             | \$-           | \$ -            |
| 50 Journal Vision                                 | \$-         | \$-               | \$ -        | \$-          | \$-       | \$-                  | \$-           | \$ -          | \$-           | \$-           | \$-             | \$-           | \$-             |
| 51 Journal Le droit                               | \$-         | \$-               | \$ -        | \$-          | \$-       | \$-                  | \$ -          | \$ -          | \$-           | \$-           | \$-             | \$-           | \$-             |
| 52 Journal Le Reflet                              | \$ -        | \$ -              | \$ -        | \$ -         | \$ -      | \$-                  | \$ -          | \$ -          | \$ -          | \$ -          | \$ -            | \$ -          | \$ -            |
| 53 Vertico Plus                                   | \$ -        | \$ -              | \$ -        | \$ -         |           | \$-                  | \$ -          | \$ -          | \$ -          | \$ -          | \$ -            | \$ -          | \$ -            |
| 54 Home Hardware                                  | \$ -        | \$ -              | \$ -        | \$ -         | \$ -      | \$-                  | \$ -          | \$ -          | \$ -          | \$ -          | \$ -            | \$ -          | \$ -            |
| 55 Marc Lavergne                                  |             |                   |             |              |           |                      |               | \$ -          | \$ -          | \$ -          | \$ -            |               | \$ -            |
| 56 Léo Beaulne Webdesign                          |             |                   |             |              |           | \$-                  |               | \$ -          | \$-           | \$-           | \$-             | \$-           | \$-             |
| 57 Martin Beaulne Webdesign                       |             |                   |             |              |           |                      | \$-           | \$ -          | \$-           | \$-           | \$ -            | \$-           | \$-             |
| 58 Bureau En Gros                                 |             |                   |             |              |           | ¢<br>\$-             | \$-           | \$ -          | \$-           | \$-           | \$ -            | \$-           | \$-             |
| 59 Protectron                                     |             |                   |             |              |           |                      |               | \$ -          | \$ -          | \$ -          | \$ -            | ş -           | \$ -            |
| 60 Monique BastienTraductrice                     |             |                   |             |              |           | ş -<br>\$ -          | ş -<br>\$ -   | ş -<br>\$ -   | ş -<br>\$ -   | \$ -          | ş -<br>\$ -     | ş -<br>\$ -   | \$-<br>\$-      |
| 61 Vecc                                           |             |                   |             |              |           |                      |               | ş -<br>\$ -   | ş -<br>\$ -   | \$ -          | \$ -            |               | \$-<br>\$-      |
| 61 TOTAL                                          |             |                   |             |              |           |                      |               | \$ -          |               | \$ -          | \$ -            |               | \$ 2,766,904.00 |
|                                                   | Ŧ           | Ŧ                 | Ŧ           | Ŧ            | Ŧ         | Ŧ                    | Ŧ             | Ŧ             | Ŧ             | Ŧ             | Ŧ               | Ť             |                 |

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| NOM ENTREPRISE                  | Janvier       | Février       | Mars          | Avril         | Mai           | Juin          | Juillet       | Août          | Septembre     | Octobre       | Novembre      | Décembre      | Total           |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|
| 1 B&C                           | \$-           | \$-           | \$ 483.08     | \$-           | Ŧ             | \$ 225.98     | -             | \$ 74.58      | \$-           | \$ -          | \$ -          | ÷             | \$ 1,494.36     |
| 2 Bay Cadd                      | \$-           | \$ -          | \$-           | \$-           | Ŧ             | \$-           | \$ -          | \$-           | \$-           | \$-           | \$ -          | \$ -          | \$ -            |
| 3 Bell                          | \$ 405.19     | \$ 328.44     | \$ 2,674.44   | \$ 412.87     | \$ 319.17     | \$ 498.64     | \$ 331.95     | \$ 412.27     | \$ 332.44     | \$ 495.65     | \$ 349.11     | \$ 506.84     | \$ 7,067.01     |
| 4 Bell Mobilité                 | \$ 50.53      | \$ 48.15      | \$ 61.04      | \$ 56.14      | \$ 49.85      | \$ 53.08      | \$ -          | \$ 54.94      | \$ -          | \$ 126.48     | \$-           | \$ 112.86     | \$ 613.07       |
| 42 Border Ladner & Gervais      | \$-           | \$-           | \$-           | \$-           | \$ -          | \$            | \$ -          | \$ -          | \$ -          | \$ -          | \$-           | \$ -          | \$ -            |
| 35 Canada Post                  | \$ 170.10     | \$-           | \$-           | \$ 179.55     | \$-           | \$ 105.34     | \$ 257.64     | \$-           | \$ -          | \$ 322.05     | \$-           | \$ -          | \$ 1,034.68     |
| 5 Canton D'alfred & Plantagenet | \$ 4,453.79   | \$-           | \$-           | \$-           | \$ -          | \$ 25,778.23  | \$ -          | \$ -          | \$ -          | \$ -          | \$-           | \$ 21,324.44  | \$ 51,556.46    |
| 6 Charbonneau Bercier Taillon   | \$ 1,825.20   | \$-           | \$-           | \$-           | \$-           | \$-           | \$-           | \$-           | \$-           | \$ -          | \$-           | Ŷ             | \$ 1,825.20     |
| 7 Christies & Walter            | \$ 234.08     | \$ 188.99     | \$ 188.99     | \$ 211.59     | \$ 188.99     | \$ 188.99     | \$ 211.59     | \$-           | \$ 377.98     | \$ 231.42     | \$ 197.58     | \$ 186.34     | \$ 2,406.54     |
| 47 D & A                        | \$-           | \$-           | \$-           | \$ 131.25     | \$ -          | \$            | \$ -          | \$ -          | \$ -          | \$ -          | \$-           | \$ -          | \$ 131.25       |
| 8 Deloitte                      | \$ 18,375.00  | \$-           | \$-           | \$ 17,325.00  | \$-           | \$ 1,050.00   | \$-           | \$-           | \$-           | \$ -          | \$-           | \$ -          | \$ 36,750.00    |
| 9 Dicom                         | \$-           | \$-           | \$-           | \$-           | \$-           | \$ 18.93      | \$-           | \$ 186.45     | \$-           | \$ -          | \$ 15.29      | \$ 20.76      | \$ 241.43       |
| 39 Ekstrom Industries           | \$-           | \$-           | \$-           | \$-           | \$-           | \$-           | \$-           | \$ 156.62     | \$-           | \$ -          | \$-           | \$ -          | \$ 156.62       |
| 10 Elenchus                     | \$-           | \$-           | \$-           | \$-           | \$-           | \$-           | \$-           | \$-           | \$-           | \$-           | \$-           | Ŧ             | \$ -            |
| 40 Elster                       | \$-           | \$-           | \$-           | \$-           | \$-           | \$-           | \$-           | \$-           | \$ 3,535.21   | \$ -          | \$-           | \$ 3,432.49   | \$ 6,967.70     |
| 38 Emond Harnden Assoc.         | \$-           | \$-           | \$-           | \$-           | \$-           | \$ -          | \$-           | \$-           | \$-           | \$ -          | \$ -          | \$ -          | \$-             |
| 11 ESM Computer service         | \$-           | \$-           | ş -           | \$-           | \$-           | ş -           | \$ -          | \$-           | \$-           | \$-           | \$-           | \$ -          | \$ -            |
| 12 Gazda Houlne                 | \$-           | \$-           | \$ -          | \$-           | \$-           | \$ -          | \$-           | \$-           | ş -           | \$-           | \$-           | \$ -          | \$ -            |
| 44 Grey Hawk                    | \$-           | \$-           | \$-           | \$-           | \$-           | \$ -          | \$-           | \$-           | \$-           | \$-           | \$-           | \$ -          | \$ -            |
| 13 Harris                       | \$-           | \$ 82.95      | \$ -          | \$-           | \$-           | \$ -          | \$-           | \$ 10,170.00  | ş -           | \$ 2,542.50   | \$ 1,186.50   | \$ 90.00      | \$ 14,071.95    |
| 14 Hydro 2000 Électricité       | \$-           | \$-           | \$-           | \$-           | \$-           | \$            | \$-           | \$-           | \$ -          | \$-           | \$-           | \$ -          | \$ -            |
| 15 Hydro Embrun                 | \$-           | \$ -          | \$ 306.40     | \$-           | \$-           | \$-           | \$ 1,340.18   | \$-           | \$-           | \$-           | \$-           | \$ -          | \$ 1,646.58     |
| 16 Hydro Hawkesbury             | \$-           | \$ 1,212.48   | \$-           | \$-           | \$-           | \$            | \$-           | \$-           | \$ -          | \$-           | \$-           | \$ 162.14     | \$ 1,374.62     |
| 36 Hydro London                 | \$-           | \$-           | \$-           | \$-           | \$-           | \$ -          | \$-           | \$-           | \$-           | \$-           | \$-           | \$ -          | \$-             |
| 17 Hydro one                    | \$ 197,691.55 | \$ 280,662.73 | \$ 286,251.92 | \$ 232,127.00 | \$ 202,389.12 | \$ 166,058.85 | \$ 142,415.09 | \$ 118,840.19 | \$ 173,901.72 | \$ 138,115.82 | \$ 157,538.18 | \$ 196,158.97 | \$ 2,292,151.14 |
| 18 Hydro Ottawa                 | \$-           | \$ 101.70     | \$-           | \$-           | \$-           | \$ -          | \$-           | \$-           | \$-           | \$-           | \$-           | \$ 514.15     | \$ 615.85       |
| 19 IGS                          | \$ 915.48     | \$-           | \$-           | \$ -          | \$-           | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ 915.48       |
| 20 Imprimerie Serge             | \$-           | \$-           | \$ 178.54     | \$-           | \$-           | \$ -          | \$-           | \$-           | \$-           | \$-           | \$-           | \$ -          | \$ 178.54       |
| 30 Journal La Tribune Express   | \$-           | \$-           | \$-           | \$ -          | \$-           | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ 355.95     | \$ -          | \$ 355.95       |
| 21 Journal Le Carrillon         | \$-           | \$-           | \$-           | \$-           | \$-           | \$ -          | \$-           | \$-           | \$-           | \$ -          | \$ -          | \$ -          | \$-             |
| 51 Journal Le droit             | \$-           | \$-           | \$-           | \$ -          | \$-           | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ 725.01     | \$ -          | \$ 725.01       |
| 46 Journal Le Mousquetaire      | \$-           | \$-           | \$-           | \$-           | \$-           | \$ -          | \$-           | \$-           | \$-           | \$-           | \$-           | \$ -          | \$ -            |
| 52 Journal Le Reflet            | \$-           | \$-           | \$-           | \$-           | \$-           | \$ -          | \$-           | \$ -          | \$-           | \$ -          | \$ -          | \$ 305.10     | \$ 305.10       |
| 48 Journal Le Régional          | \$-           | \$ -          | \$ -          | \$-           | \$ -          | \$ -          | \$-           | \$ -          | \$-           | \$ -          | \$ 700.60     | \$ -          | \$ 700.60       |
| 50 Journal Vision               | \$-           | \$-           | \$-           | \$-           | \$-           | \$ -          | \$-           | \$-           | \$-           | \$-           | \$ 330.53     | \$ -          | \$ 330.53       |
| 37 JP Design                    | \$-           | \$-           | \$-           | \$-           | \$-           | \$ -          | \$-           | \$ -          | \$-           | \$ -          | \$ -          | \$ 84.75      | \$ 84.75        |
| 33 Lake front Utilities         | \$-           | \$ -          | \$ -          | \$-           | \$ -          | \$ -          | \$-           | \$ -          | \$-           | \$ -          | \$ -          | \$ -          | \$ -            |
| 34 Lake port Utilities          | \$-           | \$-           | \$-           | \$-           | \$-           | \$ -          | \$-           | \$ -          | \$-           | \$ -          | \$ -          | \$ -          | \$ -            |
| 22 Levac Robichaud Leclerc      | \$-           | \$-           | \$-           | \$-           | \$-           | \$-           | \$-           | \$-           | \$-           | \$-           | \$-           | \$ -          | \$ -            |
| 23 Marcel Gaudreau              | \$-           | \$ 440.00     | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ 495.00     | \$ -          | \$ 275.00     | \$ -          | \$ 1,210.00     |
| 24 Mearie                       | \$-           | \$-           | \$-           | \$-           | \$-           | \$-           | \$-           | \$-           | \$-           | \$-           | \$ 2,299.10   | \$ -          | \$ 2,299.10     |
| 25 ORPC                         | \$ 5,839.66   | \$ 3,012.42   | \$ 2,303.85   | \$ 2,394.89   | \$ 2,280.10   | \$ 3,182.12   | \$ -          | \$ 3,182.29   | \$ 2,483.64   | \$ 3,207.86   | \$ 3,193.07   | \$ 22,996.45  | \$ 54,076.35    |
| 26 Pitney bowes                 | \$-           | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -            |
| 27 Proxim Plantagenet           | \$ -          | \$-           | \$ -          | \$ -          | \$-           | \$-           | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -            |
| 41 Quasar                       | \$-           | \$ -          | \$-           | \$-           | \$ 2,249.71   | \$-           | \$-           | \$-           | \$-           | \$-           | \$-           | \$ -          | \$ 2,249.71     |
| 28 Rona                         | \$ -          | \$ 235.53     | \$ -          | \$ -          | \$ -          | \$-           | \$ -          | \$ 195.72     | \$ -          | \$ -          | \$ -          | \$ -          | \$ 431.25       |
| 29 Sproule                      | \$ 5,158.92   | \$ 525.00     | \$ 447.56     | \$ 3,368.14   | \$ 1,052.10   | \$ 8,757.14   | \$ 17,376.77  | \$ 3,620.52   | \$ 911.35     | \$ 4,979.91   | \$ 3,167.41   | \$ 9,688.62   | \$ 59,053.44    |
| 43 Stewart Electric             | \$-           | \$-           | \$-           | \$ 343.25     | \$-           | \$ -          | \$-           | \$ -          | \$ -          | \$-           | \$-           | \$ -          | \$ 343.25       |
| 31 Unlimitel                    | \$-           | \$-           | \$-           | \$-           | \$-           | \$-           | \$ 148.48     | \$-           | \$-           | \$-           | \$-           | \$ -          | \$ 148.48       |
| 49 Util-Assist                  | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$-           | \$ -          | \$ 7,910.00   | Ŷ             | \$ 7,910.00     |
| 32 Vitech                       | \$-           | \$ 145.77     | \$ 6,746.10   | \$ 145.77     | \$-           | \$ -          | \$ 145.77     | \$-           | \$-           | \$-           | \$-           | \$ 491.55     | \$ 7,674.96     |
| 45 Wave Runner                  | \$-           | \$-           | \$-           | \$-           | \$-           | \$-           | \$-           | \$-           | \$-           | \$-           | \$-           | \$ -          | \$ -            |
| 53 Vertico Plus                 | \$-           | \$-           | \$ -          | \$-           | \$ -          | \$ -          | \$-           | \$ -          | \$-           | \$ -          | \$ -          | \$ -          | \$ -            |
| 54 Home Hardware                | \$-           | \$ -          | \$-           | \$-           | \$-           | \$-           | \$-           | \$-           | \$-           | \$-           | \$-           | \$ -          | \$ -            |
| 55 Marc Lavergne                | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -            |
| 56 Léo Beaulne Webdesign        | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$-           | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -            |
| 57 Martin Beaulne Webdesign     | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -            |
| 58 Bureau En Gros               | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ 158.10     | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ 158.10       |
| 59 Protectron                   | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -            |
| 60 Monique BastienTraductrice   | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -            |
| 61 Vecc                         | \$-           | \$-           | \$-           | \$-           | \$-           | \$-           | \$-           | \$-           | \$-           | \$-           | \$-           | \$ -          | \$ -            |
| 61 TOTAL                        | \$-           | \$-           | \$-           | \$-           | \$-           | \$-           | \$-           | \$-           | \$-           | \$-           | \$-           | \$-           | \$ 2,559,255.06 |
|                                 |               |               |               |               |               |               |               |               |               |               |               |               |                 |

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| n        | NOM ENTREPRISE                              | Jar      | ivier           | Fé       | vrier I  | Mars A      | Avril                    | Mai                      | Juin                      | J.   | uillet            | Août       | Septembr           | e ( | Octobre             | Nov      | embre | Déc      | embre | TOT      | AI                    |
|----------|---------------------------------------------|----------|-----------------|----------|----------|-------------|--------------------------|--------------------------|---------------------------|------|-------------------|------------|--------------------|-----|---------------------|----------|-------|----------|-------|----------|-----------------------|
|          | B&C                                         | \$       | -               | \$       |          |             |                          | \$ 1,244.95              | \$ -                      | 1    |                   | \$ -       | \$ -               |     | \$ -                | \$       | -     | \$       | -     | \$       | 8,523.12              |
|          |                                             | \$       | -               | \$       | -        |             | \$-                      | \$ -                     | \$-                       | 9    | ş -               | \$ -       | \$-                |     | \$-                 | \$       | -     | \$       | -     | \$       | -                     |
|          | Bell                                        | \$       | 341.08          | \$       | 425.11   |             | \$ 3,104.53              | \$-                      | \$ 1,415.56               | _    |                   | \$ -       | \$-                | _   | \$ -                | \$       | -     | \$       | -     | \$       | 5,760.70              |
|          |                                             | \$       | -               | \$       |          |             | \$-                      | \$ 88.05                 | \$ 100.78                 | _    |                   | \$ -       | \$ -               | _   | <u>\$ -</u>         | \$       | -     | \$       | -     | \$       | 477.29                |
| _        | Border Ladner & Gervais<br>Bureau en Gros   | \$<br>\$ | -               | \$<br>\$ | -        |             | \$-<br>\$171.92          | <u>\$</u> -<br>\$-       | \$ -<br>\$ -              |      | <u> </u>          | \$-<br>\$- | \$ -<br>\$ -       | _   | <u>\$ -</u><br>\$ - | \$<br>\$ | -     | \$<br>\$ | -     | \$<br>\$ | -<br>171.92           |
| _        |                                             | ٦<br>\$  | 405.78          | ֆ<br>\$  | - 666.70 |             | \$                       | \$ 666.70                | <u>ə -</u><br>\$ -        | _    | - <u>-</u>        | ֆ-<br>\$-  | \$ -<br>\$ -       | _   | <u>ə -</u><br>\$ -  | э<br>\$  | -     | э<br>\$  | -     | ۵<br>\$  | 2,139.20              |
|          |                                             | \$       | 3,611.46        | \$       | -        |             | φ -<br>\$ -              | <u>\$ 000.70</u><br>\$ - | \$ 21,324.44              | _    | s -               | \$-<br>\$- | \$ -               | _   | <u> </u>            | \$       | -     | \$       | -     | \$       | 24,935.90             |
| _        | Charbonneau Bercier Taillon                 | \$       | ,               | \$       | -        |             | \$-                      | \$ -                     | \$ -                      | _    | 5 -               | \$-        | \$-                | _   | \$-                 | \$       | -     | \$       | -     | \$       | 2,589.24              |
|          | Christies & Walter                          | \$       | ,               | \$       | 197.58   |             | \$ 220.18                | \$ 197.58                | \$ 197.58                 |      |                   | \$ -       | \$ -               | _   | \$ -                | \$       | -     | \$       | -     | \$       | 1,253.16              |
| 47       | D & A                                       | \$       | -               | \$       | -        | \$ 3,377.80 | \$ 1,140.90              | \$-                      | \$ 1,589.06               | ; ;  | ş -               | \$ -       | \$-                |     | \$-                 | \$       | -     | \$       | -     | \$       | 6,107.76              |
| _        |                                             | \$       | 4,294.00        | \$       | -        |             | \$-                      | \$ 15,029.00             | \$-                       |      | \$ 3,838.90       | \$-        | \$-                | _   | \$-                 | \$       | -     | \$       | -     | \$       | 23,161.90             |
|          | Dicom                                       | \$       | -               | \$       | -        |             | \$-                      | \$ 37.97                 | \$ 186.45                 | _    |                   | \$ -       | \$ -               | _   | \$ -                | \$       | -     | \$       | -     | \$       | 224.42                |
|          | Ekstrom Industries                          | \$       | -               | \$       |          |             | \$-                      | <u>\$</u> -              | \$ -                      |      | <u> </u>          | \$ -       | \$ -               | _   | <u>\$ -</u>         | \$       | -     | \$       | -     | \$       | -                     |
| _        | Elenchus<br>Elster                          | \$<br>\$ | -               | \$<br>\$ |          |             | \$ 113.00<br>\$ 1,701.34 | <u>\$</u> -<br>\$-       | \$ 18,235.38<br>\$ -      | _    | <u>6 -</u><br>6 - | \$-<br>\$- | \$ -<br>\$ -       | _   | <u>\$ -</u><br>\$ - | \$<br>\$ | -     | \$<br>\$ | •     | \$<br>\$ | 18,348.38<br>1,701.34 |
|          | Emond Harnden Assoc.                        | ې<br>\$  | -               | φ<br>\$  |          |             | \$ 1,701.34<br>\$ -      | <u>\$</u> -<br>\$-       | <del>\$</del> -           |      | p -<br>6 -        | ş-<br>\$-  | ş -<br>\$ -        | _   | φ -<br>\$ -         | ې<br>\$  | -     | э<br>\$  | -     | ې<br>\$  | 1,701.34              |
| _        |                                             | \$       | -               | \$       |          |             | φ -<br>\$ -              | \$ 79.10                 | <del>y</del> -<br>\$ -    | _    | s -               | \$-<br>\$- | \$ -               | _   | <u> </u>            | \$       | -     | \$       | -     | \$       | 79.10                 |
|          | ESM Computer service                        | \$       | -               | \$       | -        |             | \$-                      | \$ -                     | \$ -                      |      | - S               | \$ -       | \$-                | _   | \$-                 | \$       | -     | \$       | -     | \$       | -                     |
| 12       |                                             | \$       | -               | \$       | -        |             |                          | \$ -                     | \$ -                      | 9    |                   | \$ -       | \$ -               |     | \$-                 | \$       | -     | \$       | -     | \$       | -                     |
| 44       | Grey Hawk                                   | \$       | -               | \$       | -        | \$ -        | \$-                      | \$ -                     | \$ -                      | 9    | ş -               | \$ -       | \$-                | _   | \$ -                | \$       | -     | \$       | -     | \$       | -                     |
|          | Harris                                      | \$       | -               | · ·      | 2,158.85 |             | \$ 1,934.20              | \$ 239.19                | \$ 243.06                 | _    |                   | \$ -       | \$ -               | _   | \$ -                | \$       | -     | \$       | -     | \$       | 5,735.57              |
|          | Home Hardware                               | \$       | -               | \$       | -        |             | \$ 205.99                | \$ -                     | <u>\$</u> -               | 9    |                   | \$ -       | \$ -               | _   | <u>\$ -</u>         | \$       | -     | \$       | -     | \$       | 205.99                |
| _        | Hydro 2000 Électricité                      | \$       | -               | \$       | -        |             | \$-                      | \$ 389.14                | <u>\$</u> -               | 9    |                   | \$ -<br>¢  | \$ -               | _   | <u>\$ -</u>         | \$       | -     | \$       | -     | \$       | 622.22                |
|          | Hydro Embrun<br>Hydro Hawkesbury            | \$<br>\$ | -<br>250.68     | \$<br>\$ | -        |             | \$-<br>\$-               | <u>\$</u> -<br>\$-       | \$ -<br>\$ -              |      | <u> </u>          | \$-<br>\$- | \$ -<br>\$ -       | _   | <u>\$ -</u><br>\$ - | \$<br>\$ | -     | \$<br>\$ | -     | \$<br>\$ | -<br>250.68           |
| 36       | Hydro Hawkesbury<br>Hydro London            | \$<br>\$ | 200.00          | \$<br>\$ | -        |             | \$-<br>\$-               | <u>\$</u> -<br>\$-       | <u>\$</u> -<br>\$-        |      | <u>6</u> -<br>6-  | \$-<br>\$- | \$ -<br>\$ -       | _   | <u>\$-</u><br>\$-   | \$<br>\$ | -     | \$<br>\$ | -     | \$<br>\$ | 200.00                |
| _        | Hydro cone                                  |          | -<br>218,975.83 | φ<br>\$  |          |             | ₅ -<br>\$ 284,565.02     | <u> </u>                 | \$ 222,412.08             |      |                   | ş-<br>\$-  | ş -<br>\$ -        | _   | φ -<br>\$ -         | ۹<br>\$  | -     | э<br>\$  | -     | ې<br>\$  | - 891.669.45          |
|          | Hydro Ottawa                                | \$       | -               | \$       |          |             | \$ -                     | <u> </u>                 | \$ -                      | _    | 5 -               | \$-        | \$-                | _   | <u> </u>            | \$       | -     | \$       | -     | \$       | -                     |
| 19       |                                             | \$       | 949.08          | \$       | 79.01    |             | \$-                      | \$ -                     | \$ 49.71                  | 9    |                   | \$ -       | \$ -               |     | \$-                 | \$       | -     | \$       | -     | \$       | 1,083.45              |
| 20       | Imprimerie Serge                            | \$       | 1,460.58        | \$       | -        | \$ -        | \$-                      | \$-                      | \$-                       | 9    | ş -               | \$-        | \$-                |     | \$-                 | \$       | -     | \$       | -     | \$       | 1,460.58              |
| 30       | Journal La Tribune Express                  | \$       | -               | \$       | -        |             | \$-                      | \$ -                     | \$-                       |      | s -               | \$-        | \$-                | _   | \$-                 | \$       | -     | \$       | -     | \$       | -                     |
| 21       | Journal Le Carrillon                        | \$       | -               | \$       | -        |             | \$-                      | \$ -                     | \$ -                      | _    | <u> </u>          | \$ -       | \$ -               | _   | \$ -                | \$       | -     | \$       | -     | \$       | -                     |
| 51       |                                             | \$       | -               | \$       |          |             | \$-                      | <u>\$</u> -              | <u>\$</u> -               | 9    |                   | \$ -       | \$ -               | _   | <u>\$ -</u>         | \$       | -     | \$       | -     | \$       | -                     |
| 46       | Journal Le Mousquetaire                     | \$       | -               | \$<br>\$ | -        |             | \$-                      | <u>\$</u> -              | <u>\$</u> -<br>\$-        |      | <u> </u>          | \$ -<br>¢  | \$ -               | _   | <u>\$ -</u><br>\$ - | \$       | -     | \$<br>\$ | -     | \$       | -                     |
| 52<br>48 | Journal Le Reflet<br>Journal Le Régional    | \$<br>\$ | -<br>1,356.00   | \$<br>\$ |          |             | \$-<br>\$-               | <u>\$</u> -<br>\$-       | <u>\$</u> -<br>\$-        |      | 6 -<br>6 -        | \$-<br>\$- | \$ -<br>\$ -       | _   | <u>\$ -</u><br>\$ - | \$<br>\$ | -     | ֆ<br>\$  | -     | \$<br>\$ | -<br>1,356.00         |
| 50       | Journal Vision                              | \$       | -               | φ<br>\$  | -        |             | ş -<br>\$ -              | <u>y</u> -<br>\$ -       | <del>γ</del> -<br>\$ -    |      | s -               | φ-<br>\$-  | \$ -<br>\$         | _   | φ -<br>\$ -         | \$       | -     | \$       | -     | \$       | 1,000.00              |
| 37       | JP Design                                   | \$       | -               | \$       | -        |             | ф<br>\$-                 | <u> </u>                 | \$-                       |      | s -               | \$-        | \$-                | _   | <u> </u>            | \$       | -     | \$       |       | \$       | 488.73                |
| 33       |                                             | \$       | -               | \$       | -        |             | \$-                      | \$ -                     | \$ -                      | 9    |                   | \$ -       | \$ -               | _   | \$ -                | \$       | -     | \$       | -     | \$       | -                     |
| 34       | Lake port Utilities                         | \$       | -               | \$       | -        | \$ -        | \$-                      | \$ -                     | \$-                       | 9    | ş -               | \$ -       | \$-                |     | \$ -                | \$       | -     | \$       | -     | \$       | -                     |
| 56       | Léo Beaulne Webdesign                       | \$       | -               | \$       |          |             | \$ 1,500.00              | \$ -                     | \$-                       |      | s -               | \$-        | \$-                | _   | \$-                 | \$       | -     | \$       | -     | \$       | 1,500.00              |
| 22       | Levac Robichaud Leclerc                     | \$       | -               | \$       |          |             | \$-                      | \$ -                     | \$ -                      |      | <u> </u>          | \$ -       | \$ -               | _   | \$ -                | \$       | -     | \$       | -     | \$       | -                     |
|          | Marc Lavergne                               | \$       | -               | \$       |          |             | \$ 1,728.90              | <u>\$</u> -              | <u>\$</u> -               |      | <u> -</u>         | \$ -       | \$ -               | _   | <u>\$ -</u>         | \$       | -     | \$       | -     | \$       | 1,728.90              |
| 23<br>57 | Marcel Gaudreau<br>Martin Beaulne Webdesign | \$<br>\$ | -               | \$<br>\$ | -        |             | \$<br>\$                 | <u>\$</u> -<br>\$-       | <u>\$</u> -<br>\$-        | _    | <u> </u>          | \$-<br>\$- | \$ -<br>\$ -       | _   | <u>\$ -</u><br>\$ - | \$<br>\$ | -     | \$<br>\$ | -     | \$<br>\$ | -<br>1,826.76         |
| 24       | Mearie                                      | ې<br>\$  | -               | φ<br>\$  | -        |             | \$ 1,500.00<br>\$ -      | <u>ş -</u><br>\$ -       | <del>\$</del> -           |      | p -<br>6 -        | ş-<br>\$-  | ş -<br>\$ -        | _   | φ -<br>\$ -         | ې<br>\$  | -     | φ<br>\$  | -     | ې<br>\$  | 1,020.70              |
|          | Monique Bastien Traductrice                 | \$       |                 | \$       |          |             |                          | \$-                      | \$ 250.00                 |      |                   | \$-        | \$-                | _   | <u> </u>            | \$       | -     | \$       |       | \$       | 250.00                |
|          |                                             | \$       |                 | <u> </u> |          | \$ 5,886.22 |                          | \$ 6,085.43              |                           | 9    |                   |            | \$ -               | _   | \$ -                | \$       | -     | \$       | -     | \$       | 19,050.01             |
| 26       | Pitney bowes                                | \$       |                 | \$       |          |             |                          | \$ -                     | \$-                       | 9    |                   | \$ -       | \$-                |     | \$-                 | \$       | -     | \$       | -     | \$       | -                     |
|          | Protectron                                  | \$       |                 | \$       |          |             |                          | \$ 404.77                | \$ -                      | 9    |                   | \$ -       | \$ -               |     | \$ -                | \$       | -     | \$       | -     | \$       | 404.77                |
| _        | Proxim Plantagenet                          | \$       |                 | \$       |          |             |                          | <u>\$</u> -              | \$ -                      | 9    |                   | \$-        | \$ -               |     | <u>\$ -</u>         | \$       | -     | \$       | -     | \$       | -                     |
| 41       |                                             | \$       | -               | \$       |          |             |                          | <u>\$</u> -              | <u>\$</u> -               | 9    |                   | \$ -<br>¢  | \$ -               |     | <u>\$ -</u>         | \$       | -     | \$       | -     | \$       | -                     |
|          | Rona<br>Sproule                             | \$<br>\$ |                 | \$<br>\$ |          |             | \$327.39<br>\$618.11     | <u>\$</u> -<br>\$610.20  | <u>\$</u> -<br>\$1,130.00 | ) 9  |                   | \$-<br>\$- | \$ -<br>\$ -       |     | <u>\$ -</u><br>\$ - | \$<br>\$ | -     | \$<br>\$ | -     | \$<br>\$ | 369.86<br>6,272.07    |
|          |                                             | \$<br>\$ |                 | \$<br>\$ |          |             |                          | <u>\$ 610.20</u><br>\$ - | \$ 1,130.00<br>\$ -       | 9    |                   | \$-<br>\$- | \$ -<br>\$ -       |     | <u>\$ -</u><br>\$ - | \$<br>\$ | -     | \$<br>\$ | -     | \$<br>\$ | 6,272.07              |
|          | Unlimitel                                   | ې<br>\$  |                 | φ<br>\$  |          |             |                          | <u> </u>                 | <del>\$</del> -           | 9    |                   | ş-<br>\$-  | \$ -               |     | <u>ə -</u><br>\$ -  | ۹<br>\$  | -     | э<br>\$  | -     | ې<br>\$  | -                     |
|          |                                             | \$       |                 | \$       |          | \$ 2,859.35 |                          | \$ 15,760.63             | \$ 5,519.67               |      |                   | \$-        | \$-                |     | <u> </u>            | \$       | -     | \$       | -     | \$       | 28,885.65             |
|          | VECC                                        | \$       | -               | \$       |          |             |                          | \$ -                     | \$ -                      | 9    |                   | \$-        | \$-                |     | \$-                 | \$       | -     | \$       | -     | \$       | -                     |
|          |                                             | \$       | -               | \$       |          | \$ -        | \$ 904.00                | \$-                      | \$-                       | 9    | ş -               | \$ -       | \$-                |     | \$ -                | \$       | -     | \$       | -     | \$       | 904.00                |
|          | Vitech                                      | \$       |                 |          |          |             |                          | \$ 870.10                | \$ 1,048.64               |      |                   | \$ -       | \$ -               |     | \$ -                | \$       | -     | \$       | -     | \$       | 3,888.88              |
|          | Wave Runner                                 | \$       |                 | \$       |          |             |                          | <u>\$</u> -              | <u>\$</u> -               | 9    |                   | \$-        | \$ -               |     | <u>\$ -</u>         | \$       | -     | \$       | -     | \$       | -                     |
| 63       |                                             | \$       | -               | \$       |          |             |                          | <u>\$</u> -              | <u>\$</u> -               | 9    |                   | \$ -<br>¢  | \$ -               |     | <u>\$ -</u>         | \$       | -     | \$       | -     | \$       | -                     |
| 64<br>65 |                                             | \$<br>\$ |                 | \$<br>\$ |          |             |                          | \$                       | <u>\$</u> -<br>\$-        | 0,0, |                   | \$-<br>\$- | \$ -<br>\$ -       |     | <u>\$ -</u><br>\$ - | \$<br>\$ | -     | \$<br>\$ | -     | \$<br>\$ | -                     |
| 66       |                                             | э<br>\$  | -               | ֆ<br>\$  |          |             |                          | <u>\$</u> -<br>\$-       | <u>\$</u> -<br>\$-        | 9    |                   | ֆ-<br>\$-  | <u></u> թ -<br>Տ - |     | <u>ə -</u><br>\$ -  | ֆ<br>\$  | -     | ֆ<br>\$  | -     | ֆ<br>\$  | -                     |
| 67       |                                             | ې<br>\$  | -               | φ<br>\$  |          |             |                          | <u> </u>                 | <del>\$</del> -           | 9    |                   | ş-<br>\$-  | \$ -               |     | <u>ə -</u><br>\$ -  | ۹<br>\$  | -     | э<br>\$  | -     | ې<br>\$  | -                     |
| 68       |                                             | \$       |                 | \$       |          |             |                          | <u> </u>                 | \$ -                      | 9    |                   | \$-<br>\$- | \$ -               |     | <u> </u>            | \$       | -     | \$       | -     | \$       |                       |
| 69       |                                             | \$       | -               | \$       |          |             |                          | \$ -                     | \$ -                      | 9    |                   | \$-        | \$-                |     | \$ -                | \$       | -     | \$       | -     | \$       | -                     |
| 70       |                                             | \$       | -               | \$       | -        | \$ -        | \$-                      | \$-                      | \$-                       | 9    | ş -               | \$ -       | \$-                |     | \$ -                | \$       | -     | \$       | -     | \$       | -                     |
| 71       |                                             | \$       | -               | \$       |          |             |                          | \$-                      | \$-                       | 9    |                   | \$-        | \$-                |     | \$ -                | \$       | -     | \$       | -     | \$       | -                     |
| 72       |                                             | \$       | -               | \$       |          |             |                          | \$ -                     | \$ -                      | 9    |                   | \$-        | \$ -               |     | \$ -                | \$       | -     | \$       | -     | \$       | -                     |
| 73       |                                             | \$       |                 | \$       |          |             |                          | <u>\$</u> -              | <u>\$</u> -               | 9    |                   | \$ -       | \$ -               | _   | <u>\$ -</u>         | \$       | -     | \$       | -     | \$       | -                     |
| 74       |                                             | \$<br>\$ | -               | \$<br>\$ |          |             |                          | \$                       | <u>\$</u> -<br>\$-        | 0,00 |                   | \$-<br>\$- | \$ -<br>\$ -       |     | <u>\$ -</u>         | \$<br>\$ | -     | \$<br>\$ | -     | \$<br>¢  | -<br>1,063,427.00     |
| 15       | IUIAL                                       | ф        | -               | φ        | -        | φ -         | \$-                      | \$-                      | \$-                       | 1    | p -               | ф-         | ф -                |     | \$-                 | ¢        | -     | Φ        | -     | ۵.       | 1,003,427.00          |

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 4 Tab 7

Exhibit 4: Operating Costs

# Tab 7 (of 8): Depreciation and Amortization

| File Number: | EB-2012-0xxx |
|--------------|--------------|
| Exhibit:     | 4            |
| Tab:         | 7            |
| Schedule:    | 1            |
| Page:        | 1            |
|              |              |
| Date:        | Sept 30 2011 |

Year: 2008

| Account | Description                                  | Opening<br>Balance | Less Fully<br>Depreciated <sup>1</sup> | Net for<br>Depreciation | Additions    | Total for<br>Depreciation                    | Years | Depreciation<br>Rate | Depreciation<br>Expense | Did Depreciation<br>Rate in "g"<br>Change |
|---------|----------------------------------------------|--------------------|----------------------------------------|-------------------------|--------------|----------------------------------------------|-------|----------------------|-------------------------|-------------------------------------------|
|         |                                              | (a)                | (b)                                    | (c) = (a) - (b)         | (d)          | (e) = (c) + $\frac{1}{2}$ x (d) <sup>2</sup> | (f)   | (g) = 1 / (f)        | (h) = (e) / (f)         | (Yes/No)? <sup>3</sup>                    |
| 1805    | Land                                         |                    |                                        | \$-                     |              | \$-                                          |       |                      |                         |                                           |
| 1808    | Buildings                                    |                    |                                        | \$                      |              | \$                                           |       |                      |                         |                                           |
| 1810    | Leasehold Improvements                       |                    |                                        | \$-                     |              | \$                                           |       |                      |                         |                                           |
| 1815    | Transformer Station Equipment >50 kV         |                    |                                        | \$ -                    |              | \$-                                          |       |                      |                         |                                           |
| 1820    | Distribution Station Equipment <50 kV        |                    |                                        | \$-                     |              | \$                                           |       |                      |                         |                                           |
| 1825    | Storage Battery Equipment                    |                    |                                        | \$ -                    |              | \$-                                          |       |                      |                         |                                           |
| 1830    | Poles, Towers & Fixtures                     | \$ 199,796.68      | -\$ 123,753.00                         | \$ 323,549.68           | \$18,357.75  | \$ 332,728.56                                | 25.00 | 4%                   | \$ 13,309.14            | No                                        |
| 1835    | Overhead Conductors & Devices                | \$236,965.79       | -\$ 123,784.00                         | \$ 360,749.79           | \$11,252.95  | \$ 366,376.27                                | 25.00 | 4%                   | \$ 14,655.05            | No                                        |
| 1840    | Underground Conduit                          | \$ 13,404.71       |                                        | \$ 13,404.71            | \$-          | \$ 13,404.71                                 | 25.00 | 4%                   | \$ 536.19               | No                                        |
| 1845    | Underground Conductors & Devices             | \$ 72,301.02       | -\$ 30,024.00                          | \$ 102,325.02           | \$ 917.50    | \$ 102,783.77                                | 25.00 | 4%                   | \$ 4,111.35             | No                                        |
| 1850    | Line Transformers                            | \$ 76,743.00       | -\$ 39,807.00                          | \$ 116,550.00           | \$ 3,891.00  | \$ 118,495.50                                | 25.00 | 4%                   | \$ 4,739.82             | No                                        |
| 1855    | Services (Overhead and Underground)          | \$ 54,001.56       |                                        | \$ 54,001.56            | \$ 3,865.50  | \$ 55,934.31                                 | 25.00 | 4%                   | \$ 2,237.37             | No                                        |
| 1860    | Meters                                       | \$ 48,938.77       | -\$ 40,686.00                          | \$ 89,624.77            | \$ 129.60    | \$ 89,689.57                                 | 25.00 | 4%                   | \$ 3,587.58             | No                                        |
| 1860    | Meters (Smart Meters)                        |                    |                                        | \$ -                    |              | \$-                                          |       |                      |                         |                                           |
| 1905    | Land                                         |                    |                                        | \$ -                    |              | \$ -                                         |       |                      |                         |                                           |
| 1906    | Land Rights                                  |                    |                                        | \$ -                    |              | \$ -                                         |       |                      |                         |                                           |
| 1908    | Buildings & Fixtures                         |                    |                                        | \$-                     |              | \$ -                                         |       |                      |                         |                                           |
| 1910    | Leasehold Improvements                       |                    |                                        | \$ -                    |              | \$ -                                         |       |                      |                         |                                           |
| 1915    | Office Furniture & Equipment (10 Years)      | \$ 3.537.19        | \$ 2.707.00                            | \$ 830.19               | \$ 324.00    | \$ 992.19                                    | 10.00 | 10%                  | \$ 99.22                | No                                        |
| 1915    | Office Furniture & Equipment (5 Years)       |                    |                                        | \$ -                    |              | \$ -                                         |       |                      |                         |                                           |
| 1920    | Computer Equipment - Hardware                | \$ 17.620.00       | \$ 10,465.00                           | \$ 7.155.00             | s -          | \$ 7.155.00                                  | 5.00  | 20%                  | \$ 1.431.00             | No                                        |
| 1920    | Computer Equip Hardware (Post Mar. 22/04)    | \$ 7,199.05        |                                        | \$ 7,199.05             | s -          | \$ 7,199.05                                  | 5.00  | 20%                  | \$ 1.439.81             | No                                        |
| 1920    | Computer EquipHardware(Post Mar. 19/07)      | \$ 604.52          | -                                      | \$ 604.52               | \$ 4.704.25  | \$ 2,956.65                                  | 5.00  | 20%                  | \$ 591.33               | No                                        |
| 1920    | Computer EquipHardware(Jan 28/10 - Jan 31/11 | \$ -               |                                        | \$ -                    | \$ -         | \$ -                                         |       |                      |                         | No                                        |
| 1925    | Computer Software                            | \$ 24.513.68       | \$ 21.461.00                           | \$ 3.052.68             | \$45,509,60  | \$ 25.807.48                                 | 5.00  | 20%                  | \$ 5,161,50             | No                                        |
| 1930    | Transportation Equipment                     |                    |                                        | \$ -                    |              | \$ -                                         |       |                      | • •,•••••               |                                           |
| 1935    | Stores Equipment                             |                    |                                        | \$ -                    |              | \$ -                                         |       |                      |                         |                                           |
| 1940    | Tools, Shop & Garage Equipment               |                    | -                                      | \$-                     |              | \$ -                                         |       |                      |                         |                                           |
| 1945    | Measurement & Testing Equipment              |                    |                                        | \$ -                    |              | \$ -                                         |       |                      |                         |                                           |
| 1950    | Power Operated Equipment                     |                    | -                                      | \$-                     |              | \$ -                                         |       |                      |                         |                                           |
| 1955    | Communications Equipment                     |                    |                                        | \$ -                    |              | \$ -                                         |       |                      |                         |                                           |
| 1955    | Communication Equipment (Smart Meters)       |                    |                                        | \$-                     |              | \$-                                          |       |                      |                         |                                           |
| 1960    | Miscellaneous Equipment                      |                    |                                        | \$ -                    |              | \$ -                                         |       |                      |                         |                                           |
| 1975    | Load Management Controls Utility Premises    |                    |                                        | \$-                     |              | \$-                                          |       |                      |                         |                                           |
| 1980    | System Supervisor Equipment                  |                    |                                        | \$ -                    |              | \$ -                                         |       |                      |                         |                                           |
| 1985    | Miscellaneous Fixed Assets                   |                    |                                        | \$-                     |              | \$-                                          |       |                      |                         |                                           |
| 1995    | Contributions & Grants                       | -\$ 106,600.05     |                                        | Ŧ                       | -\$ 4.395.00 | -\$ 108.797.55                               | 25.00 | 4%                   | -\$ 4.351.90            | No                                        |
| etc.    |                                              | + 100,000.00       |                                        | \$ -                    | ÷ 1,000.00   | \$ -                                         | _0.00 | 470                  | ÷ 1,001.00              |                                           |
| 2.0.    |                                              |                    |                                        | \$-                     |              | \$ -                                         |       |                      |                         |                                           |
|         | Total                                        | \$ 649,025.92      | -\$ 323,421.00                         | \$ 972 446 92           | \$ 84 557 15 | \$ 1,014,725.50                              |       |                      | \$ 47,547.46            |                                           |

#### Notes:

<sup>1</sup> This adjusts for assets still on the books but which have been fully amortized or depreciated.

<sup>2</sup> Applicable for the standard Board policy of the "half-year" rule, that additions in the year attract a half-year depreciation expense in the first year. Deviations from this standard practice must be supported in the application.

<sup>3</sup> Applicants must indicate YES or NO as to whether the "Depreciation Rate" for the asset in column "g" has changed from the last rebasing year approved by the Board. Changes may arise due to the adoption of International Financial Reporting Standards (IFRS) requirements or other reasons.

| File Number: | EB-2012-0xxx |
|--------------|--------------|
| Exhibit:     | 4            |
| Tab:         | 7            |
| Schedule:    | 1            |
| Page:        | 2            |
|              |              |
| Date:        | Sept 30 2011 |

Year: 2009

| Account | Description                                  | Opening<br>Balance | Less Fully<br>Depreciated <sup>1</sup> | Net for<br>Depreciation | Additions     | Total for<br>Depreciation                    | Years | Depreciation<br>Rate | Depreciation<br>Expense | Did Depreciation<br>Rate in "g"<br>Change |
|---------|----------------------------------------------|--------------------|----------------------------------------|-------------------------|---------------|----------------------------------------------|-------|----------------------|-------------------------|-------------------------------------------|
|         |                                              | (a)                | (b)                                    | (c) = (a) - (b)         | (d)           | (e) = (c) + $\frac{1}{2}$ x (d) <sup>2</sup> | (f)   | (q) = 1 / (f)        | (h) = (e) / (f)         | (Yes/No)? <sup>3</sup>                    |
| 1805    | Land                                         |                    |                                        | \$ -                    |               | \$ -                                         |       |                      |                         |                                           |
| 1808    | Buildings                                    |                    |                                        | \$ -                    |               | \$-                                          |       |                      |                         |                                           |
| 1810    | Leasehold Improvements                       |                    |                                        | \$ -                    |               | \$-                                          |       |                      |                         |                                           |
| 1815    | Transformer Station Equipment >50 kV         |                    |                                        | \$ -                    |               | \$-                                          |       |                      |                         |                                           |
| 1820    | Distribution Station Equipment <50 kV        |                    |                                        | \$ -                    |               | \$-                                          |       |                      |                         |                                           |
| 1825    | Storage Battery Equipment                    |                    |                                        | \$ -                    |               | \$-                                          |       |                      |                         |                                           |
| 1830    | Poles, Towers & Fixtures                     | \$218,154.43       | -\$ 123,753.00                         | \$ 341,907.43           | \$44,456.75   | \$ 364,135.81                                | 25.00 | 4%                   | \$ 14,565.43            | No                                        |
| 1835    | Overhead Conductors & Devices                | \$248,218.74       | -\$ 123,784.00                         | \$ 372,002.74           | \$10,819.75   | \$ 377,412.62                                | 25.00 | 4%                   | \$ 15,096.50            | No                                        |
| 1840    | Underground Conduit                          | \$ 13,404.71       |                                        | \$ 13,404.71            | \$ -          | \$ 13,404.71                                 | 25.00 | 4%                   | \$ 536.19               | No                                        |
| 1845    | Underground Conductors & Devices             | \$ 73,218.52       | -\$ 30,024.00                          | \$ 103,242.52           | \$19,909.64   | \$ 113,197.34                                | 25.00 | 4%                   | \$ 4,527.89             | No                                        |
| 1850    | Line Transformers                            | \$ 80,634.00       | -\$ 39,807.00                          | \$ 120,441.00           | \$ 17,484.40  | \$ 129,183.20                                | 25.00 | 4%                   | \$ 5,167.33             | No                                        |
| 1855    | Services (Overhead and Underground)          | \$ 57,867.06       |                                        | \$ 57,867.06            | \$ 8,607.25   | \$ 62,170.69                                 | 25.00 | 4%                   | \$ 2,486.83             | No                                        |
| 1860    | Meters                                       | \$ 49,068.37       | -\$ 40,686.00                          | \$ 89,754.37            | \$ 4,616.00   | \$ 92,062.37                                 | 25.00 | 4%                   | \$ 3,682.49             | No                                        |
| 1860    | Meters (Smart Meters)                        |                    |                                        | \$ -                    |               | \$-                                          |       |                      |                         |                                           |
| 1905    | Land                                         |                    |                                        | \$ -                    |               | \$-                                          |       |                      |                         |                                           |
| 1906    | Land Rights                                  |                    |                                        | \$ -                    |               | \$-                                          |       |                      |                         |                                           |
| 1908    | Buildings & Fixtures                         |                    |                                        | \$ -                    |               | \$-                                          |       |                      |                         |                                           |
| 1910    | Leasehold Improvements                       |                    |                                        | \$ -                    |               | \$-                                          |       |                      |                         |                                           |
| 1915    | Office Furniture & Equipment (10 Years)      | \$ 3,861.19        | \$ 2,801.00                            | \$ 1,060.19             | \$ 297.00     | \$ 1,208.69                                  | 10.00 | 10%                  | \$ 120.87               | No                                        |
| 1915    | Office Furniture & Equipment (5 Years)       |                    |                                        | \$ -                    |               | \$-                                          |       |                      |                         |                                           |
| 1920    | Computer Equipment - Hardware                | \$ 17,620.00       | \$ 17,620.00                           | \$ -                    | \$ -          | \$ -                                         | 5.00  | 20%                  | \$ -                    | No                                        |
| 1920    | Computer Equip Hardware (Post Mar. 22/04)    | \$ 7,199.05        |                                        | \$ 7,199.05             | \$ -          | \$ 7,199.05                                  | 5.00  | 20%                  | \$ 1,439.81             | No                                        |
| 1920    | Computer EquipHardware(Post Mar. 19/07)      | \$ 5,308.77        |                                        | \$ 5,308.77             | \$ 1,049.93   | \$ 5,833.74                                  | 5.00  | 20%                  | \$ 1,166.75             | No                                        |
| 1920    | Computer EquipHardware(Jan 28/10 - Jan 31/11 | \$ -               |                                        | \$ -                    | \$ -          | \$-                                          | 5.00  | 20%                  | \$ -                    | No                                        |
| 1925    | Computer Software                            | \$ 70,023.28       | \$ 27,491.00                           | \$ 42,532.28            | \$ 2,045.47   | \$ 43,555.02                                 | 5.00  | 20%                  | \$ 8,711.00             | No                                        |
| 1930    | Transportation Equipment                     |                    |                                        | \$ -                    |               | \$-                                          |       |                      |                         |                                           |
| 1935    | Stores Equipment                             |                    |                                        | \$ -                    |               | \$-                                          |       |                      |                         |                                           |
| 1940    | Tools, Shop & Garage Equipment               |                    |                                        | \$ -                    |               | \$-                                          |       |                      |                         |                                           |
| 1945    | Measurement & Testing Equipment              |                    |                                        | \$ -                    |               | \$-                                          |       |                      |                         |                                           |
| 1950    | Power Operated Equipment                     |                    |                                        | \$ -                    |               | \$-                                          |       |                      |                         |                                           |
| 1955    | Communications Equipment                     |                    |                                        | \$ -                    |               | \$-                                          |       |                      |                         |                                           |
| 1955    | Communication Equipment (Smart Meters)       |                    |                                        | \$ -                    |               | \$ -                                         |       |                      |                         |                                           |
| 1960    | Miscellaneous Equipment                      |                    |                                        | \$ -                    |               | \$ -                                         |       |                      |                         |                                           |
| 1975    | Load Management Controls Utility Premises    |                    |                                        | \$ -                    |               | \$ -                                         |       |                      |                         |                                           |
| 1980    | System Supervisor Equipment                  |                    |                                        | \$ -                    |               | \$ -                                         |       |                      |                         |                                           |
| 1985    | Miscellaneous Fixed Assets                   |                    |                                        | \$ -                    |               | \$ -                                         |       |                      |                         |                                           |
| 1995    | Contributions & Grants                       | -\$ 110,995.05     |                                        | -\$ 110,995.05          | -\$ 29,759.21 | -\$ 125,874.66                               | 25.00 | 4%                   | -\$ 5,034.99            | No                                        |
| etc.    |                                              |                    |                                        | \$ -                    |               | \$ -                                         |       |                      |                         |                                           |
|         |                                              |                    |                                        | \$ -                    |               | \$ -                                         |       |                      |                         |                                           |
|         | Total                                        | \$733.583.07       | -\$ 310,142.00                         | \$ 1,043,725.07         | \$79,526.98   | \$ 1.083.488.56                              |       |                      | \$ 52,466,11            |                                           |

#### Notes:

<sup>1</sup> This adjusts for assets still on the books but which have been fully amortized or depreciated.

<sup>2</sup> Applicable for the standard Board policy of the "half-year" rule, that additions in the year attract a half-year depreciation expense in the first year. Deviations from this standard practice must be supported in the application.

<sup>3</sup> Applicants must indicate YES or NO as to whether the "Depreciation Rate" for the asset in column "g" has changed from the last rebasing year approved by the Board. Changes may arise due to the adoption of International Financial Reporting Standards (IFRS) requirements or other reasons.

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|         |                                                                            |                    | Year:                                  | 2010                    |              |                                              |       |                      |                         |                                           |
|---------|----------------------------------------------------------------------------|--------------------|----------------------------------------|-------------------------|--------------|----------------------------------------------|-------|----------------------|-------------------------|-------------------------------------------|
| Account | Description                                                                | Opening<br>Balance | Less Fully<br>Depreciated <sup>1</sup> | Net for<br>Depreciation | Additions    | Total for<br>Depreciation                    | Years | Depreciation<br>Rate | Depreciation<br>Expense | Did Depreciation<br>Rate in "g"<br>Change |
|         |                                                                            | (a)                | (b)                                    | (c) = (a) - (b)         | (d)          | (e) = (c) + $\frac{1}{2}$ x (d) <sup>2</sup> | (f)   | (g) = 1 / (f)        | (h) = (e) / (f)         | (Yes/No)? <sup>3</sup>                    |
| 1805    | Land                                                                       |                    |                                        | \$ -                    |              | \$-                                          |       |                      |                         |                                           |
| 1808    | Buildings                                                                  |                    |                                        | \$ -                    |              | \$-                                          |       |                      |                         |                                           |
| 1810    | Leasehold Improvements                                                     |                    |                                        | \$-                     |              | \$-                                          |       |                      |                         |                                           |
| 1815    | Transformer Station Equipment >50 kV                                       |                    |                                        | \$-                     |              | \$-                                          |       |                      |                         |                                           |
| 1820    | Distribution Station Equipment <50 kV                                      |                    |                                        | \$ -                    |              | \$ -                                         |       |                      |                         |                                           |
| 1825    | Storage Battery Equipment                                                  |                    |                                        | \$ -                    |              | \$-                                          |       |                      |                         |                                           |
| 1830    | Poles, Towers & Fixtures                                                   | \$262.611.18       | -\$ 123,753,00                         | \$ 386.364.18           | \$ 8.839.25  | \$ 390,783.81                                | 25.00 | 4%                   | \$ 15,631.35            | No                                        |
| 1835    | Overhead Conductors & Devices                                              | \$259.038.49       | -\$ 123,784.00                         | \$ 382.822.49           | \$25,886,17  | \$ 395,765.58                                | 25.00 | 4%                   | \$ 15,830.62            | No                                        |
| 1840    | Underground Conduit                                                        | \$ 13,404.71       |                                        | \$ 13.404.71            | \$ -         | \$ 13.404.71                                 | 25.00 | 4%                   |                         | No                                        |
| 1845    | Underground Conductors & Devices                                           | \$ 93,128.16       | -\$ 30.024.00                          | \$ 123,152,16           | \$ 220.00    | \$ 123,262,16                                | 25.00 | 4%                   |                         | No                                        |
| 1850    | Line Transformers                                                          | \$ 98,118,40       |                                        | \$ 137.925.40           | \$ 6.428.00  | \$ 141.139.40                                | 25.00 | 4%                   | 1 1                     | No                                        |
| 1855    | Services (Overhead and Underground)                                        | \$ 66,474.31       | \$ 00,007.00                           | \$ 66.474.31            | \$ 3.235.00  | \$ 68.091.81                                 | 25.00 | 4%                   |                         | No                                        |
| 1860    | Meters                                                                     | \$ 53.684.37       | -\$ 40.686.00                          |                         | \$ 2,148.26  | \$ 95,444,50                                 | 25.00 | 4%                   |                         | No                                        |
| 1860    | Meters (Smart Meters)                                                      | φ 00,004.01        | φ 40,000.00                            | \$ -                    | ψ 2,140.20   | \$ -                                         | 20.00 | 470                  | φ 0,017.70              | 110                                       |
| 1905    | Land                                                                       |                    |                                        | \$ -                    |              | \$-<br>\$-                                   |       |                      |                         |                                           |
| 1905    | Land Rights                                                                |                    |                                        | \$ -                    |              | \$ -<br>\$ -                                 |       |                      |                         |                                           |
| 1908    | Buildings & Fixtures                                                       |                    |                                        | \$ -                    |              | ş -<br>\$ -                                  |       |                      |                         |                                           |
| 1908    | Leasehold Improvements                                                     |                    |                                        |                         |              | ş -<br>S -                                   |       |                      |                         |                                           |
| 1910    | Office Furniture & Equipment (10 Years)                                    | \$ 4,158,19        | \$ 3.031.00                            | \$ 1.127.19             | \$ 461.70    | \$ 1.358.04                                  | 10.00 | 10%                  | \$ 135.80               | No                                        |
| 1915    | Office Furniture & Equipment (10 Years)                                    | \$ 4,158.19        | \$ 3,031.00                            | \$ 1,127.19             | \$ 401.70    | \$ 1,358.04<br>\$ -                          | 10.00 | 10%                  | \$ 135.80               | INO                                       |
| 1915    | Computer Equipment - Hardware                                              | \$ 17.620.00       | \$ 17,620.00                           | ⇒ -<br>\$ -             | s -          | ş -<br>\$ -                                  | 5.00  | 20%                  | \$ -                    | No                                        |
| 1920    | Computer Equipment - Hardware<br>Computer Equip Hardware (Post Mar. 22/04) | \$ 7,199.05        | \$ 1,499.00                            | \$ -<br>\$ 5.700.05     | Ŷ            | \$ -<br>\$ 5.700.05                          | 5.00  | 20%                  | \$ -<br>\$ 1.140.01     | NO                                        |
|         |                                                                            |                    | \$ 1,499.00                            |                         |              |                                              |       |                      |                         |                                           |
| 1920    | Computer EquipHardware(Post Mar. 19/07)                                    | \$ 6,358.70        |                                        | \$ 6,358.70             | \$ -         | \$ 6,358.70                                  | 5.00  | 20%                  |                         | No                                        |
| 1920    | Computer EquipHardware(Jan 28/10 - Jan 31/1                                |                    |                                        | \$ -                    | \$ 7,133.01  | \$ 3,566.51                                  | 5.00  | 20%                  | \$ 713.30               | No                                        |
| 1925    | Computer Software                                                          | \$ 72,068.75       | \$ 36,289.00                           | \$ 35,779.75            | \$15,865.94  | \$ 43,712.72                                 | 5.00  | 20%                  | \$ 8,742.54             | No                                        |
| 1930    | Transportation Equipment                                                   |                    |                                        | \$ -                    |              | \$ -                                         |       |                      |                         |                                           |
| 1935    | Stores Equipment                                                           |                    |                                        | \$ -                    |              | \$ -                                         |       |                      |                         |                                           |
| 1940    | Tools, Shop & Garage Equipment                                             |                    |                                        | \$ -                    |              | \$ -                                         |       |                      |                         |                                           |
| 1945    | Measurement & Testing Equipment                                            |                    |                                        | \$ -                    |              | \$ -                                         |       |                      |                         |                                           |
| 1950    | Power Operated Equipment                                                   |                    |                                        | \$ -                    |              | \$ -                                         |       |                      |                         |                                           |
| 1955    | Communications Equipment                                                   |                    |                                        | \$-                     |              | \$-                                          |       |                      |                         |                                           |
| 1955    | Communication Equipment (Smart Meters)                                     |                    |                                        | \$ -                    |              | \$-                                          |       |                      |                         |                                           |
| 1960    | Miscellaneous Equipment                                                    |                    |                                        | \$ -                    |              | \$-                                          |       |                      |                         |                                           |
| 1975    | Load Management Controls Utility Premises                                  |                    |                                        | \$ -                    |              | \$-                                          |       |                      |                         |                                           |
| 1980    | System Supervisor Equipment                                                |                    |                                        | \$ -                    |              | \$-                                          |       |                      |                         |                                           |
| 1985    | Miscellaneous Fixed Assets                                                 |                    |                                        | \$ -                    |              | \$-                                          |       |                      |                         |                                           |
| 1995    | Contributions & Grants                                                     | -\$ 140,754.26     |                                        | -\$ 140,754.26          | -\$ 7,508.19 | -\$ 144,508.36                               | 25.00 | 4%                   | -\$ 5,780.33            | No                                        |
| etc.    |                                                                            |                    |                                        | \$ -                    |              | \$-                                          |       |                      |                         |                                           |
|         |                                                                            |                    |                                        | \$ -                    |              | \$ -                                         |       |                      |                         |                                           |
|         | Total                                                                      | \$813 110 05       | -\$ 299,615.00                         | \$ 1,112,725.05         | \$62,709.14  | \$ 1.144.079.62                              |       |                      | \$ 55,338.74            |                                           |

#### Notes:

<sup>1</sup> This adjusts for assets still on the books but which have been fully amortized or depreciated.

<sup>2</sup> Applicable for the standard Board policy of the "half-year" rule, that additions in the year attract a half-year depreciation expense in the first year. Deviations from this standard practice must be supported in the application.

<sup>3</sup> Applicants must indicate YES or NO as to whether the "Depreciation Rate" for the asset in column "g" has changed from the last rebasing year approved by the Board. Changes may arise due to the adoption of International Financial Reporting Standards (IFRS) requirements or other reasons.

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|         |                                             |                    | Year:                                  | 2011                    |             |                                              |       |                      |                         |                                           |
|---------|---------------------------------------------|--------------------|----------------------------------------|-------------------------|-------------|----------------------------------------------|-------|----------------------|-------------------------|-------------------------------------------|
| Account | Description                                 | Opening<br>Balance | Less Fully<br>Depreciated <sup>1</sup> | Net for<br>Depreciation | Additions   | Total for<br>Depreciation                    | Years | Depreciation<br>Rate | Depreciation<br>Expense | Did Depreciation<br>Rate in "g"<br>Change |
|         |                                             | (a)                | (b)                                    | (c) = (a) - (b)         | (d)         | (e) = (c) + $\frac{1}{2}$ x (d) <sup>2</sup> | (f)   | (g) = 1 / (f)        | (h) = (e) / (f)         | (Yes/No)? 3                               |
| 1805    | Land                                        |                    |                                        | \$ -                    |             | \$-                                          |       |                      |                         |                                           |
| 1808    | Buildings                                   |                    |                                        | \$ -                    |             | \$-                                          |       |                      |                         |                                           |
| 1810    | Leasehold Improvements                      | \$ -               |                                        | \$ -                    | \$16,028.00 | \$ 8,014.00                                  | 5.00  | 20%                  | \$ 1,602.80             | No                                        |
| 1815    | Transformer Station Equipment >50 kV        |                    |                                        | \$ -                    |             | \$-                                          |       |                      |                         |                                           |
| 1820    | Distribution Station Equipment <50 kV       |                    |                                        | \$ -                    |             | \$-                                          |       |                      |                         |                                           |
| 1825    | Storage Battery Equipment                   |                    |                                        | \$ -                    |             | \$-                                          |       |                      |                         |                                           |
| 1830    | Poles, Towers & Fixtures                    |                    | -\$ 123,753.00                         | \$ 395,203.43           | \$14,424.00 | \$ 402,415.43                                | 25.00 | 4%                   |                         | No                                        |
| 1835    | Overhead Conductors & Devices               |                    | -\$ 123,784.00                         | \$ 408,708.66           | \$19,840.00 | \$ 418,628.66                                | 25.00 | 4%                   |                         | No                                        |
| 1840    | Underground Conduit                         | \$ 13,404.71       |                                        | \$ 13,404.71            | \$ -        | \$ 13,404.71                                 | 25.00 | 4%                   |                         | No                                        |
| 1845    | Underground Conductors & Devices            | \$ 93,348.16       |                                        | \$ 123,372.16           | \$ -        | \$ 123,372.16                                | 25.00 | 4%                   |                         | No                                        |
| 1850    | Line Transformers                           | \$104,546.40       | -\$ 39,807.00                          | \$ 144,353.40           | \$ 5,000.00 | \$ 146,853.40                                | 25.00 | 4%                   |                         | No                                        |
| 1855    | Services (Overhead and Underground)         | \$ 69,709.31       |                                        | \$ 69,709.31            | \$ 273.00   | \$ 69,845.81                                 | 25.00 | 4%                   |                         | No                                        |
| 1860    | Meters                                      | \$ 55,832.63       | \$ 53,684.37                           | \$ 2,148.26             | \$ 221.00   | \$ 2,258.76                                  | 25.00 | 4%                   | \$ 90.35                | No                                        |
| 1860    | Meters (Smart Meters)                       |                    |                                        | \$ -                    |             | \$-                                          |       |                      |                         |                                           |
| 1905    | Land                                        |                    |                                        | \$ -                    |             | \$-                                          |       |                      |                         |                                           |
| 1906    | Land Rights                                 |                    |                                        | \$ -                    |             | \$-                                          |       |                      |                         |                                           |
| 1908    | Buildings & Fixtures                        |                    |                                        | \$ -                    |             | \$-                                          |       |                      |                         |                                           |
| 1910    | Leasehold Improvements                      |                    |                                        | \$-                     |             | \$-                                          |       |                      |                         |                                           |
| 1915    | Office Furniture & Equipment (10 Years)     | \$ 4,619.89        | \$ 2,730.00                            | \$ 1,889.89             | \$ 6,011.00 | \$ 4,895.39                                  | 10.00 | 10%                  | \$ 489.54               | No                                        |
| 1915    | Office Furniture & Equipment (5 Years)      |                    |                                        | \$ -                    |             | \$-                                          |       |                      |                         |                                           |
| 1920    | Computer Equipment - Hardware               | \$ 17,620.00       |                                        | \$ -                    | \$ -        | \$-                                          | 5.00  | 20%                  |                         | No                                        |
| 1920    | Computer Equip Hardware (Post Mar. 22/04)   | \$ 7,199.05        | \$ 7,199.05                            | \$ -                    | \$ -        | \$-                                          | 5.00  | 20%                  | \$ -                    | No                                        |
| 1920    | Computer EquipHardware(Post Mar. 19/07)     | \$ 6,358.70        |                                        | \$ 6,358.70             | \$ 3,734.00 | \$ 8,225.70                                  | 5.00  | 20%                  | \$ 1,645.14             | No                                        |
| 1920    | Computer EquipHardware(Jan 28/10 - Jan 31/1 |                    |                                        | \$ 7,133.01             | \$ -        | \$ 7,133.01                                  | 5.00  | 20%                  | \$ 1,426.60             | No                                        |
| 1925    | Computer Software                           | \$ 87,934.69       | \$ 23,400.00                           | \$ 64,534.69            | \$15,401.00 | \$ 72,235.19                                 | 5.00  | 20%                  | \$ 14,447.04            | No                                        |
| 1930    | Transportation Equipment                    |                    |                                        | \$-                     |             | \$-                                          |       |                      |                         |                                           |
| 1935    | Stores Equipment                            |                    |                                        | \$ -                    |             | \$-                                          |       |                      |                         |                                           |
| 1940    | Tools, Shop & Garage Equipment              |                    |                                        | \$ -                    |             | \$-                                          |       |                      |                         |                                           |
| 1945    | Measurement & Testing Equipment             |                    |                                        | \$ -                    |             | \$-                                          |       |                      |                         |                                           |
| 1950    | Power Operated Equipment                    |                    |                                        | \$ -                    |             | \$-                                          |       |                      |                         |                                           |
| 1955    | Communications Equipment                    |                    |                                        | \$-                     |             | \$-                                          |       |                      |                         |                                           |
| 1955    | Communication Equipment (Smart Meters)      |                    |                                        | \$-                     |             | \$-                                          |       |                      |                         |                                           |
| 1960    | Miscellaneous Equipment                     |                    |                                        | \$ -                    |             | \$-                                          |       |                      |                         |                                           |
| 1975    | Load Management Controls Utility Premises   |                    |                                        | \$ -                    |             | \$-                                          |       |                      |                         |                                           |
| 1980    | System Supervisor Equipment                 |                    |                                        | \$ -                    |             | \$-                                          |       |                      |                         |                                           |
| 1985    | Miscellaneous Fixed Assets                  |                    |                                        | \$ -                    |             | \$-                                          |       |                      |                         |                                           |
| 1995    | Contributions & Grants                      | -\$ 148,262.45     |                                        | -\$ 148,262.45          | \$-         | -\$ 148,262.45                               | 25.00 | 4%                   | -\$ 5,930.50            | No                                        |
| etc.    |                                             |                    |                                        | \$-                     |             | \$-                                          |       |                      |                         |                                           |
|         |                                             |                    |                                        | \$ -                    |             | \$-                                          |       |                      |                         |                                           |
|         | Total                                       | \$875,819.19       | -\$ 212,734.58                         | \$ 1,088,553.77         | \$80,932.00 | \$ 1,129,019.77                              |       |                      | \$ 60,751.78            |                                           |

#### Notes:

<sup>1</sup> This adjusts for assets still on the books but which have been fully amortized or depreciated.

<sup>2</sup> Applicable for the standard Board policy of the "half-year" rule, that additions in the year attract a half-year depreciation expense in the first year. Deviations from this standard practice must be supported in the application.

<sup>3</sup> Applicants must indicate YES or NO as to whether the "Depreciation Rate" for the asset in column "g" has changed from the last rebasing year approved by the Board. Changes may arise due to the adoption of International Financial Reporting Standards (IFRS) requirements or other reasons.

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|         |                                             |                    | Year:                                  | 2012                    |               |                                              |       |                      |                         |                                           |
|---------|---------------------------------------------|--------------------|----------------------------------------|-------------------------|---------------|----------------------------------------------|-------|----------------------|-------------------------|-------------------------------------------|
| Account | Description                                 | Opening<br>Balance | Less Fully<br>Depreciated <sup>1</sup> | Net for<br>Depreciation | Additions     | Total for<br>Depreciation                    | Years | Depreciation<br>Rate | Depreciation<br>Expense | Did Depreciation<br>Rate in "g"<br>Change |
|         |                                             | (a)                | (b)                                    | (c) = (a) - (b)         | (d)           | (e) = (c) + $\frac{1}{2}$ x (d) <sup>2</sup> | (f)   | (g) = 1 / (f)        | (h) = (e) / (f)         | (Yes/No)? <sup>3</sup>                    |
| 1805    | Land                                        |                    |                                        | \$ -                    |               | \$-                                          |       |                      |                         |                                           |
| 1808    | Buildings                                   |                    |                                        | \$ -                    |               | \$-                                          |       |                      |                         |                                           |
| 1810    | Leasehold Improvements                      |                    |                                        | \$ -                    |               | \$-                                          |       |                      |                         |                                           |
| 1815    | Transformer Station Equipment >50 kV        |                    |                                        | \$                      |               | \$-                                          |       |                      |                         |                                           |
| 1820    | Distribution Station Equipment <50 kV       |                    |                                        | \$                      |               | \$-                                          |       |                      |                         |                                           |
| 1825    | Storage Battery Equipment                   |                    |                                        | \$ -                    |               | \$-                                          |       |                      |                         |                                           |
| 1830    | Poles, Towers & Fixtures                    | \$285,874.43       | -\$ 123,753.00                         | \$ 409,627.43           | \$ 15,000.00  | \$ 417,127.43                                | 25.00 | \$ 0.04              | \$ 16,685.10            | No                                        |
| 1835    | Overhead Conductors & Devices               | \$ 304,764.66      | -\$ 123,784.00                         | \$ 428,548.66           | \$ 23,000.00  | \$ 440,048.66                                | 25.00 | \$ 0.04              | \$ 17,601.95            | No                                        |
| 1840    | Underground Conduit                         | \$ 13,404.71       |                                        | \$ 13,404.71            | \$ -          | \$ 13,404.71                                 | 25.00 | \$ 0.04              | \$ 536.19               | No                                        |
| 1845    | Underground Conductors & Devices            | \$ 93,348.16       | -\$ 30,024.00                          | \$ 123,372.16           | \$ -          | \$ 123,372.16                                | 25.00 | \$ 0.04              | \$ 4,934.89             | No                                        |
| 1850    | Line Transformers                           | \$ 109,546.40      | -\$ 39,807.00                          | \$ 149,353.40           | \$ 5,000.00   | \$ 151,853.40                                | 25.00 | \$ 0.04              | \$ 6,074.14             | No                                        |
| 1855    | Services (Overhead and Underground)         | \$ 69,982.31       |                                        | \$ 69,982.31            | \$ -          | \$ 69,982.31                                 | 25.00 | \$ 0.04              | \$ 2,799.29             | No                                        |
| 1860    | Meters                                      | \$ 2,369,26        |                                        | \$ 2,369,26             | \$ -          | \$ 2,369,26                                  | 25.00 | \$ 0.04              | \$ 94.77                | No                                        |
| 1860    | Meters (Smart Meters)                       |                    |                                        | \$ -                    | \$ 193,297,00 | \$ 96,648,50                                 | 15.00 | \$ 0.07              | \$ 6.443.23             | No                                        |
| 1905    | Land                                        |                    |                                        | \$ -                    |               | \$ -                                         |       |                      |                         |                                           |
| 1906    | Land Rights                                 |                    |                                        | \$ -                    |               | \$ -                                         |       |                      |                         |                                           |
| 1908    | Buildings & Fixtures                        |                    |                                        | \$ -                    |               | \$ -                                         |       |                      |                         |                                           |
| 1910    | Leasehold Improvements                      | \$ 16.028.00       |                                        | \$ 16.028.00            | \$ -          | \$ 16.028.00                                 | 5.00  | \$ 0.20              | \$ 3,205,60             | No                                        |
| 1915    | Office Furniture & Equipment (10 Years)     | \$ 10.630.89       | \$ 2.930.00                            | \$ 7,700.89             | \$ 1.000.00   | \$ 8,200,89                                  | 10.00 | \$ 0.10              | \$ 820.09               | No                                        |
| 1915    | Office Furniture & Equipment (5 Years)      |                    |                                        | \$ -                    |               | s -                                          |       |                      |                         |                                           |
| 1920    | Computer Equipment - Hardware               | \$ 17,620.00       | \$ 17.620.00                           | \$ -                    | \$ -          | \$ -                                         | 5.00  | \$ 0.20              | \$ -                    | No                                        |
| 1920    | Computer Equip Hardware (Post Mar. 22/04)   | \$ 7,199.05        | \$ 7,199.05                            | \$ -                    | \$ -          | \$ -                                         | 5.00  | \$ 0.20              | \$ -                    | No                                        |
| 1920    | Computer EquipHardware(Post Mar. 19/07)     | \$ 10,092.70       | \$ 298.00                              | \$ 9.794.70             | \$ 3,000,00   | \$ 11.294.70                                 | 5.00  | \$ 0.20              | \$ 2.258.94             | No                                        |
| 1920    | Computer EquipHardware(Jan 28/10 - Jan 31/1 |                    |                                        | \$ 7,133.01             | \$ -          | \$ 7,133.01                                  | 5.00  | \$ 0.20              | \$ 1,426,60             | No                                        |
| 1925    | Computer Software                           | \$ 103,335.69      | \$ 23,956.00                           | \$ 79,379.69            | \$ 38,761.00  | \$ 98,760.19                                 | 5.00  | \$ 0.20              | \$ 19,752.04            | No                                        |
| 1930    | Transportation Equipment                    |                    |                                        | \$ -                    |               | \$ -                                         |       |                      |                         |                                           |
| 1935    | Stores Equipment                            |                    |                                        | \$ -                    |               | \$-                                          |       |                      | 1                       |                                           |
| 1940    | Tools, Shop & Garage Equipment              |                    |                                        | \$-                     |               | \$-                                          |       |                      |                         |                                           |
| 1945    | Measurement & Testing Equipment             |                    |                                        | \$ -                    |               | \$ -                                         |       |                      |                         |                                           |
| 1950    | Power Operated Equipment                    |                    |                                        | \$ -                    |               | \$ -                                         |       |                      |                         |                                           |
| 1955    | Communications Equipment                    |                    |                                        | \$ -                    |               | \$ -                                         |       |                      |                         |                                           |
| 1955    | Communication Equipment (Smart Meters)      |                    |                                        | \$-                     |               | \$-                                          |       |                      | 1                       |                                           |
| 1960    | Miscellaneous Equipment                     |                    |                                        | \$-                     |               | \$-                                          |       |                      | 1                       |                                           |
| 1975    | Load Management Controls Utility Premises   |                    |                                        | \$-                     |               | \$-                                          |       |                      | 1                       |                                           |
| 1980    | System Supervisor Equipment                 |                    |                                        | \$ -                    |               | \$-                                          |       |                      | 1                       |                                           |
| 1985    | Miscellaneous Fixed Assets                  |                    |                                        | \$ -                    |               | \$-                                          |       |                      | 1                       |                                           |
| 1995    | Contributions & Grants                      | -\$ 148,262.45     |                                        | -\$ 148,262.45          | \$-           | -\$ 148,262.45                               | 25.00 | \$ 0.04              | -\$ 5,930.50            | No                                        |
| etc.    |                                             |                    |                                        | \$ -                    |               | \$ -                                         |       |                      |                         |                                           |
|         |                                             |                    |                                        | \$-                     |               | \$-                                          |       |                      |                         |                                           |
|         | Total                                       | \$ 903.066.82      | -\$ 265,364,95                         | \$ 1,168,431.77         | \$279.058.00  | \$ 1,307,960.77                              |       |                      | \$ 76,702.32            |                                           |
| L       | 10141                                       | ψ 000,000.02       | ψ 200,004.00                           | ψ 1,100,401.77          | ψ210,000.00   | φ 1,307,300.11                               | 1     |                      | ψ 10,102.02             | 1                                         |

#### Notes:

<sup>1</sup> This adjusts for assets still on the books but which have been fully amortized or depreciated.

<sup>2</sup> Applicable for the standard Board policy of the "half-year" rule, that additions in the year attract a half-year depreciation expense in the first year. Deviations from this standard practice must be supported in the application.

<sup>3</sup> Applicants must indicate YES or NO as to whether the "Depreciation Rate" for the asset in column "g" has changed from the last rebasing year approved by the Board. Changes may arise due to the adoption of International Financial Reporting Standards (IFRS) requirements or other reasons.

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 4 Tab 7 Schedule 1 Attachment 1 Page 1 of 1

# Depreciation Rates and Methodology

- Hydro 2000's depreciation policy is described in Exhibit 2, Tab 2, Schedule 3.
- 4 Table 4.7.1 at the previous schedule shows the calculation of annual depreciation
- 5 expense with the half-year rule applied for rate-setting purposes, in accordance with the
- 6 form prescribed in the Board' filing requirements.<sup>1</sup> These expense amounts were used
- 7 throughout Exhibit 2, in determining the net fixed asset values included in the rate base.
- 8

<sup>&</sup>lt;sup>1</sup> Ontario Energy Board, <u>Chapter 2 of the Filing Requirements for Transmission and Distribution</u> <u>Applications</u>, June 22,2011

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 4 Tab 8

Exhibit 4: Operating Costs

# Tab 8 (of 8): Income & Capital Taxes

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 4 Tab 8 Schedule 1 Page 1 of 1

**Overview of Provision in Lieu of Taxes (PILs)** 1 2 3 Hydro 2000 is subject to the PILs regime, and therefore remits payments in lieu of 4 corporate taxes to the Ontario Energy Financial Corporation. 5 6 Hydro 2000 files Federal and Provincial tax returns annually. There have been no 7 special circumstances that would require specific tax planning measures to minimize 8 taxes payable. 9 10 There are no non-utility activities included in Hydro 2000's financial results, therefore the 11 entire amount of PILs payable is considered in the proposed allowance to be included in 12 the revenue requirement. 13 14 There are no outstanding audits, reassessments or disputes relating the tax returns filed 15 by Hydro 2000. 16 17 Schedule 2 of this tab addresses the PILs allowance previously approved by the Board 18 and the actual expenses for PILs. Schedule 3 presents the allowance for PILs to be 19 included in the proposed revenue requirement for the 2012 test year. 20

21 Hydro 2000 is requesting disposition of deferral account 1562 in this application. 22 Specifics on the request are presented at Exhibit 9, Tab 2, Schedule 3.

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 4 Tab 8 Schedule 2 Page 1 of 1

# **Historical PILs**

1 2

3 Attachment 1 presents the model used to derive the allowance for the Provision In Lieu

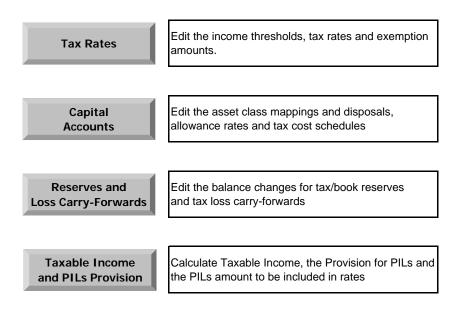
4 of Taxes ("PILs") included in Hydro 2000's 2008 Board-approved revenue requirement.

5 Attachments 2 and 3 show returns filed in 2008, 2009 and 2010 by the utility for Federal

6 and Ontario income taxes, respectively.

### FTY REVENUE REQUIREMENT: PROVISION IN LIEU OF TAXES

#### BRIDGE YEAR



Save and Continue Save this workbook and open the Test Year PILs file

Close

Close this workbook and return to the ReturnOnCapital file

|                      | Income Range | 9          |            |           |
|----------------------|--------------|------------|------------|-----------|
|                      | 0 to         | 300,000 to | 400,000 to | 1,128,519 |
|                      | 300,000      | 400,000    | 1,128,519  | or more   |
| Federal Income Tax   | 13.120%      | 13.120%    | 22.120%    | 22.120%   |
| Ontario Income Tax   | 5.500%       | 5.500%     | 5.500%     | 14.000%   |
| Combined Income Tax  | 18.620%      | 18.620%    | 27.620%    | 36.120%   |
| Ontario SBD Clawback | 0.000%       | 0.000%     | 4.667%     | 0.000%    |

| Total Rate Base | 730,958    |
|-----------------|------------|
| OCTexemption    | 15,000,000 |
| LCTexemption    | 50,000,000 |
| OCTrate         | 0.000%     |
| LCTrate         | 0.000%     |
| LCTsurtax       | 0.000%     |

|      | AcctDesc                                                           | CCAclass | Additions | Disposals |
|------|--------------------------------------------------------------------|----------|-----------|-----------|
| 1606 | 1606-Organization                                                  | ECP      | 0         |           |
| 1608 | 1608-Franchises and Consents                                       | 14       | 0         |           |
| 1610 | 1610-Miscellaneous Intangible Plant                                | ECP      | 0         |           |
| 1805 | 1805-Land                                                          | LAND     | 0         |           |
| 1806 | 1806-Land Rights                                                   | ECP      | 0         |           |
| 1808 | 1808-Buildings and Fixtures                                        | 1        | 0         |           |
| 1810 | 1810-Leasehold Improvements                                        | 13 3     | 0         |           |
| 1815 | 1815-Transformer Station Equipment - Normally Primary above 50 k   | 47       | 0         |           |
| 1820 | 1820-Distribution Station Equipment - Normally Primary below 50 kV | 47       | 0         |           |
| 1825 | 1825-Storage Battery Equipment                                     | 47       | 0         |           |
| 1830 | 1830-Poles, Towers and Fixtures                                    | 47       | 0         |           |
| 1835 | 1835-Overhead Conductors and Devices                               | 47       | 0         |           |
| 1840 | 1840-Underground Conduit                                           | 47       | 0         |           |
| 1845 | 1845-Underground Conductors and Devices                            | 47       | 62,981    |           |
| 1850 | 1850-Line Transformers                                             | 47       | 16,199    |           |
| 1855 | 1855-Services                                                      | 47       | 0         |           |
| 1860 | 1860-Meters                                                        | 47       | 0         |           |
| 1865 | 1865-Other Installations on Customer's Premises                    | 47       | 0         |           |
| 1870 | 1870-Leased Property on Customer Premises                          | 1        | 0         |           |
| 1875 | 1875-Street Lighting and Signal Systems                            | 8        | 0         |           |
| 1905 | 1905-Land                                                          | LAND     | 0         |           |
| 1906 | 1906-Land Rights                                                   | ECP      | 0         |           |
| 1908 | 1908-Buildings and Fixtures                                        | 47       | 0         |           |
| 1910 | 1910-Leasehold Improvements                                        | 13 4     | 0         |           |
| 1915 | 1915-Office Furniture and Equipment                                | 8        | 0         |           |
| 1920 | 1920-Computer Equipment - Hardware                                 | 45       | 0         |           |
| 1925 | 1925-Computer Software                                             | 12       | 0         |           |
| 1930 | 1930-Transportation Equipment                                      | 10       | 0         |           |
| 1935 | 1935-Stores Equipment                                              | 8        | 0         |           |
| 1940 | 1940-Tools, Shop and Garage Equipment                              | 8        | 0         |           |
| 1945 | 1945-Measurement and Testing Equipment                             | 8        | 0         |           |
| 1950 | 1950-Power Operated Equipment                                      | 8        | 0         |           |
| 1955 | 1955-Communication Equipment                                       | 8        | 0         |           |
| 1960 | 1960-Miscellaneous Equipment                                       | 8        | 0         |           |
| 1965 | 1965-Water Heater Rental Units                                     | 8        | 0         |           |

| USAacct | AcctDesc                                                | CCAclass | Additions | Disposals |
|---------|---------------------------------------------------------|----------|-----------|-----------|
| 1970    | 1970-Load Management Controls - Customer Premises       | 8        | 0         |           |
| 1975    | 1975-Load Management Controls - Utility Premises        | 8        | 0         |           |
| 1980    | 1980-System Supervisory Equipment                       | 8        | 0         |           |
| 1985    | 1985-Sentinel Lighting Rental Units                     | 8        | 0         |           |
| 1990    | 1990-Other Tangible Property                            | 8        | 0         |           |
| 1995    | 1995-Contributions and Grants - Credit                  | 47       | (42,382)  |           |
| 2005    | 2005-Property Under Capital Leases                      | CL       | 0         |           |
| 2010    | 2010-Electric Plant Purchased or Sold                   | 47       | 0         |           |
| 2020    | 2020-Experimental Electric Plant Unclassified           | 47       | 0         |           |
| 2030    | 2030-Electric Plant and Equipment Leased to Others      | 47       | 0         |           |
| 2040    | 2040-Electric Plant Held for Future Use                 | 47       | 0         |           |
| 2050    | 2050-Completed Construction Not ClassifiedElectric      | 47       | 0         |           |
| 2055    | 2055-Construction Work in ProgressElectric              | WIP      | 0         |           |
| 2060    | 2060-Electric Plant Acquisition Adjustment              | ECP      | 0         |           |
| 2065    | 2065-Other Electric Plant Adjustment                    | ECP      | 0         |           |
| 2070    | 2070-Other Utility Plant                                | 47       | 0         |           |
| 2075    | 2075-Non-Utility Property Owned or Under Capital Leases | CL       | 0         |           |

| Class                  | Class Description                                                                   | UCC Prior Year<br>Ending Balance | Less: Non-<br>Distribution<br>Portion | Less:<br>Disallowed FMV<br>Increment | UCC Bridge<br>Year Opening<br>Balance |
|------------------------|-------------------------------------------------------------------------------------|----------------------------------|---------------------------------------|--------------------------------------|---------------------------------------|
| 1                      | Distribution System -<br>1988 to 22-Feb-2005                                        | 206,530                          | 0                                     | 0                                    | 206,530                               |
| 2                      | Distribution System -<br>pre 1988                                                   | 225,621                          | 0                                     | 0                                    | 225,621                               |
| 8                      | General Office/Stores<br>Equip                                                      | 2,104                            | 0                                     | 0                                    | 2,104                                 |
| 10                     | Computer Hardware/<br>Vehicles                                                      | 3,627                            | 0                                     | 0                                    | 3,627                                 |
| 10.1                   | Certain Automobiles                                                                 | 0                                | 0                                     | 0                                    | 0                                     |
| 12                     | Computer Software                                                                   | 4,793                            | 0                                     | 0                                    | 4,793                                 |
| <b>13</b> <sub>1</sub> | Lease # 1                                                                           | 0                                | 0                                     | 0                                    | 0                                     |
| 13 <sub>2</sub>        | Lease #2                                                                            | 0                                | 0                                     | 0                                    | 0                                     |
| 13 <sub>3</sub>        | Lease # 3                                                                           | 0                                | 0                                     | 0                                    | 0                                     |
| 13 <sub>4</sub>        | Lease # 4                                                                           | 0                                | 0                                     | 0                                    | 0                                     |
| 14                     | Franchise                                                                           | 0                                | 0                                     | 0                                    | 0                                     |
| 17                     | New Electrical<br>Generating Equipment<br>Acq'd after Feb 27/00<br>Other Than Bldgs | 0                                | 0                                     | 0                                    | 0                                     |
| 43.1                   | Certain Energy-Efficient<br>Electrical Generating<br>Equipment                      | 0                                | 0                                     | 0                                    | 0                                     |
| 45                     | Computers & Systems<br>Software acq'd post Mar<br>22/04                             | 5,054                            | 0                                     | 0                                    | 5,054                                 |
| 46                     | Data Network<br>Infrastructure<br>Equipment (acq'd post<br>Mar 22/04)               | 0                                | 0                                     | 0                                    | 0                                     |
| 47                     | Distribution System -<br>post 22-Feb-2005                                           |                                  |                                       |                                      | 0                                     |
| 98                     | No CCA                                                                              | 0                                | 0                                     | 0                                    | 0                                     |

| Class | Class Description  | UCC Prior Year<br>Ending Balance | Less: Non-<br>Distribution<br>Portion | Less:<br>Disallowed FMV<br>Increment | UCC Bridge<br>Year Opening<br>Balance |
|-------|--------------------|----------------------------------|---------------------------------------|--------------------------------------|---------------------------------------|
|       |                    | 0                                | 0                                     | 0                                    | 0                                     |
|       |                    | 0                                | 0                                     | 0                                    | 0                                     |
|       | SUB-TOTAL - UCC    | 447,729                          | 0                                     | 0                                    | 447,729                               |
|       |                    |                                  |                                       |                                      |                                       |
| CEC   | Goodwill           | 0                                | 0                                     | 0                                    | 0                                     |
| CEC   | Land Rights        | 0                                | 0                                     | 0                                    | 0                                     |
| CEC   | FMV Bump-up        | 0                                | 0                                     | 0                                    | 0                                     |
| CEC   | incorporation cost | 2,378                            | 0                                     | 0                                    | 2,378                                 |
| CEC   |                    | 0                                | 0                                     | 0                                    | 0                                     |
|       | SUB-TOTAL - CEC    | 2,378                            | 0                                     | 0                                    | 2,378                                 |

| Class | Class Description                                                                | UCC Opening<br>Balance | Additions | Dispositions | UCC Before 1/2<br>Yr Adjustment | 1/2 Year Rule<br>{1/2 Additions<br>Less Disposals} | Reduced UCC | Rate % | CCA    | UCC Ending Balance |
|-------|----------------------------------------------------------------------------------|------------------------|-----------|--------------|---------------------------------|----------------------------------------------------|-------------|--------|--------|--------------------|
|       | Distribution System - 1988<br>to 22-Feb-2005                                     | 206,530                | 0         | 0            | 206,530                         | 0                                                  | 206,530     | 4%     | 8,261  | 198,269            |
| 2     | Distribution System - pre<br>1988                                                | 225,621                | 0         | 0            | 225,621                         | 0                                                  | 225,621     | 6%     | 13,537 | 212,084            |
| 8     | General Office/Stores Equip                                                      | 2,104                  | 0         | 0            | 2,104                           | 0                                                  | 2,104       | 20%    | 421    | 1,683              |
|       | Computer Hardware/<br>Vehicles                                                   | 3,627                  | 0         | 0            | 3,627                           | 0                                                  | 3,627       | 30%    | 1,088  | 2,539              |
| 10.1  | Certain Automobiles                                                              | 0                      | 0         | 0            | 0                               | 0                                                  | 0           | 30%    | 0      | 0                  |
| 12    | Computer Software                                                                | 4,793                  | 0         | 0            | 4,793                           | 0                                                  | 4,793       | 100%   | 4,793  | 0                  |
| 13 1  | Lease # 1                                                                        | 0                      | 0         | 0            | 0                               | 0                                                  | 0           |        | 0      | 0                  |
| 13 2  | Lease #2                                                                         | 0                      | 0         | 0            | 0                               | 0                                                  | 0           |        | 0      | 0                  |
| 13 3  | Lease # 3                                                                        | 0                      | 0         | 0            | 0                               | 0                                                  | 0           |        | 0      | 0                  |
| 13 4  | Lease # 4                                                                        | 0                      | 0         | 0            | 0                               | 0                                                  | 0           |        | 0      | 0                  |
| 14    | Franchise                                                                        | 0                      | 0         | 0            | 0                               | 0                                                  | 0           |        | 0      | 0                  |
| 17    | New Electrical Generating<br>Equipment Acq'd after Feb<br>27/00 Other Than Bldgs | 0                      | 0         | 0            | 0                               | 0                                                  | 0           | 8%     | 0      | 0                  |
| 43.1  | Certain Energy-Efficient<br>Electrical Generating<br>Equipment                   | 0                      | 0         | 0            | 0                               | 0                                                  | 0           | 30%    | 0      | 0                  |
| 45    | Computers & Systems<br>Software acq'd post Mar<br>22/04                          | 5,054                  | 0         | 0            | 5,054                           | 0                                                  | 5,054       | 45%    | 2,274  | 2,780              |
| 46    | Data Network Infrastructure<br>Equipment (acq'd post Mar<br>22/04)               | 0                      | 0         | 0            | 0                               | 0                                                  | 0           | 30%    | 0      | 0                  |

| Class | Class Description                         | UCC Opening<br>Balance | Additions | Dispositions | UCC Before 1/2<br>Yr Adjustment | 1/2 Year Rule<br>{1/2 Additions<br>Less Disposals} | Reduced UCC | Rate % | CCA    | UCC Ending Balance |
|-------|-------------------------------------------|------------------------|-----------|--------------|---------------------------------|----------------------------------------------------|-------------|--------|--------|--------------------|
|       | Distribution System - post<br>22-Feb-2005 | 0                      | 36,798    | 0            | 36,798                          | 18,399                                             | 18,399      | 8%     | 1,472  | 35,326             |
| 98    | No CCA                                    | 0                      | 0         | 0            | 0                               | 0                                                  | 0           |        | 0      | 0                  |
|       |                                           |                        | 0         | 0            |                                 | 0                                                  | 0           |        | 0      | 0                  |
|       |                                           |                        | 0         | 0            |                                 |                                                    | 0           |        | 0      | 0                  |
|       | TOTAL                                     | 447,729                | 36,798    | 0            | 484,527                         | 18,399                                             | 466,128     |        | 31,847 | 452,680            |

| CEC Deducti  | ion                                                                                                                      |   | 2,378       | x 7% = | 166   |
|--------------|--------------------------------------------------------------------------------------------------------------------------|---|-------------|--------|-------|
|              |                                                                                                                          |   | 0.070       | 70/    |       |
| Cumulative I | Eligible Capital Balance                                                                                                 |   |             |        | 2,378 |
|              | Subtotal                                                                                                                 | 0 | x 3/4 =     | 0      | 0     |
|              | Other Adjustments                                                                                                        | 0 |             |        |       |
| Projected    | proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during the year    |   |             |        |       |
| Deductions   |                                                                                                                          |   |             |        |       |
|              | Subtotal                                                                                                                 |   |             |        | 2,378 |
| Ar           | mount transferred on amalgamation or wind-up of subsidiary                                                               | 0 |             |        | 0     |
|              | ortion of a non-arm's length transferor's gain realized on the an ECP to the Corporation after Friday, December 20, 2002 | 0 | x 1/2 =<br> | 0      | 0     |
|              | Subtotal                                                                                                                 | 0 | x 3/4 =     | 0      |       |
|              | Other Adjustments                                                                                                        | 0 |             |        |       |
|              | Cost of Eligible Capital Property Acquired during the year                                                               | 0 |             |        |       |
| Additions    | Cumulative Eligible Capital                                                                                              |   |             |        | 2,378 |

| Description                                                                           | Prior Year<br>Ending<br>Balance | Non-Distribution<br>Eliminations<br>Sign Convention:<br>Increase (+)<br>Decrease (-) | Utility Only<br>Opening<br>Balance | Eliminate Amounts<br>Not Relevant for Test<br>Year<br>Sign Convention:<br>Increase (+) Decrease<br>(-) | Bridge Year<br>Adjusted<br>Opening<br>Balance | Add (+) | Deduct (-) | Ending<br>Balance | Change<br>During<br>the Year | Disallowed<br>Expenses |
|---------------------------------------------------------------------------------------|---------------------------------|--------------------------------------------------------------------------------------|------------------------------------|--------------------------------------------------------------------------------------------------------|-----------------------------------------------|---------|------------|-------------------|------------------------------|------------------------|
|                                                                                       |                                 |                                                                                      |                                    |                                                                                                        |                                               |         |            |                   |                              |                        |
| Capital Gains Reserves ss.40(1)                                                       |                                 |                                                                                      | 0                                  |                                                                                                        | 0                                             |         |            | 0                 | 0                            |                        |
| Tax Reserves Not Deducted for accoun                                                  | ting purposes                   |                                                                                      |                                    |                                                                                                        |                                               |         |            |                   |                              |                        |
| Reserve for doubtful accounts ss.<br>20(1)(I)                                         |                                 |                                                                                      | 0                                  |                                                                                                        | 0                                             |         |            | 0                 | 0                            |                        |
| Reserve for goods and services not delivered ss. 20(1)(m)                             |                                 |                                                                                      | 0                                  |                                                                                                        | 0                                             |         |            | 0                 | 0                            |                        |
| Reserve for unpaid amounts ss. 20(1)(n)                                               |                                 |                                                                                      | 0                                  |                                                                                                        | 0                                             |         |            | 0                 | 0                            |                        |
| Debt & Share Issue Expenses ss.<br>20(1)(e)                                           |                                 |                                                                                      | 0                                  |                                                                                                        | 0                                             |         |            | 0                 | 0                            |                        |
| Other tax reserves                                                                    |                                 |                                                                                      | 0                                  |                                                                                                        | 0                                             |         |            | 0                 | 0                            |                        |
|                                                                                       |                                 |                                                                                      | 0                                  |                                                                                                        | 0                                             |         |            | 0                 | 0                            |                        |
|                                                                                       |                                 |                                                                                      | 0                                  |                                                                                                        | 0                                             |         |            | 0                 | 0                            |                        |
| Total Tax Reserves                                                                    | 0                               | 0                                                                                    | 0                                  | 0                                                                                                      | 0                                             | 0       | 0          | 0                 | 0                            | 0                      |
| Accounting Reserves (not deductible for                                               | or Tax Purnose                  | s)                                                                                   |                                    |                                                                                                        |                                               |         |            |                   |                              |                        |
| General Reserve for Inventory                                                         |                                 | 5,                                                                                   |                                    |                                                                                                        |                                               |         |            |                   |                              |                        |
| Obsolescence (non-specific)                                                           |                                 |                                                                                      | 0                                  |                                                                                                        | 0                                             |         |            | 0                 | 0                            |                        |
| General reserve for bad debts                                                         |                                 |                                                                                      | 0                                  |                                                                                                        | 0                                             |         |            | 0                 | 0                            |                        |
| Accrued Employee Future Benefits:                                                     | 0                               |                                                                                      | 0                                  |                                                                                                        | 0                                             | 0       |            | 0                 | 0                            |                        |
| - Medical and Life Insurance                                                          |                                 |                                                                                      | 0                                  |                                                                                                        | 0                                             |         |            | 0                 | 0                            |                        |
| -Short & Long-term Disability                                                         |                                 |                                                                                      | 0                                  |                                                                                                        | 0                                             |         |            | 0                 | 0                            |                        |
| -Accumulated Sick Leave                                                               |                                 |                                                                                      | 0                                  |                                                                                                        | 0                                             |         |            | 0                 | 0                            |                        |
| - Termination Cost                                                                    |                                 |                                                                                      | 0                                  |                                                                                                        | 0                                             |         |            | 0                 | 0                            |                        |
| - Other Post-Employment Benefits                                                      |                                 |                                                                                      | 0                                  |                                                                                                        | 0                                             |         |            | 0                 | 0                            |                        |
| Provision for Environmental Costs                                                     |                                 |                                                                                      | 0                                  |                                                                                                        | 0                                             |         |            | 0                 | 0                            |                        |
| Restructuring Costs                                                                   |                                 |                                                                                      | 0                                  |                                                                                                        | 0                                             |         |            | 0                 | 0                            |                        |
| Accrued Contingent Litigation Costs                                                   |                                 |                                                                                      | 0                                  |                                                                                                        | 0                                             |         |            | 0                 | 0                            |                        |
| Accrued Self-Insurance Costs                                                          |                                 |                                                                                      | 0                                  |                                                                                                        | 0                                             |         |            | 0                 | 0                            |                        |
| Other Contingent Liabilities                                                          |                                 |                                                                                      | 0                                  |                                                                                                        | 0                                             |         |            | 0                 | 0                            |                        |
| Bonuses Accrued and Not Paid Within<br>180 Days of Year-End ss. 78(4)                 |                                 |                                                                                      | 0                                  |                                                                                                        | 0                                             |         |            | 0                 | 0                            |                        |
| Unpaid Amounts to Related Person and<br>Not Paid Within 3 Taxation Years ss.<br>78(1) |                                 |                                                                                      | 0                                  |                                                                                                        | 0                                             |         |            | 0                 | 0                            |                        |
| Other Accounting Reserves                                                             |                                 |                                                                                      | 0                                  |                                                                                                        | 0                                             |         |            | 0                 | 0                            |                        |
|                                                                                       |                                 |                                                                                      | 0                                  |                                                                                                        | 0                                             |         |            | 0                 | 0                            |                        |
|                                                                                       |                                 |                                                                                      | 0                                  |                                                                                                        | 0                                             |         |            | 0                 | 0                            |                        |
| Total Accounting Reserves                                                             | 0                               | 0                                                                                    | 0                                  | 0                                                                                                      | 0                                             | 0       | 0          | 0                 | 0                            | 0                      |

## Sign Convention: Increase (+) Decrease (-)

|                                                            | inci case (1)         | ase (+) Deci ease (-)                        |                                   |  |  |
|------------------------------------------------------------|-----------------------|----------------------------------------------|-----------------------------------|--|--|
| Non-Capital Loss Carry Forward Deduction                   | Total Legal<br>Entity | Non-<br>Distribution<br>Portion <sup>1</sup> | Bridge Year<br>Utility<br>Balance |  |  |
| Opening Balance                                            | 0                     |                                              | 0                                 |  |  |
| Application of Loss Carry Forward to reduce taxable income |                       |                                              | 0                                 |  |  |
| Other Adjustments Add (+) Deduct (-) <sup>1</sup>          |                       |                                              | 0                                 |  |  |
| Non-Capital Losses Balance available                       | 0                     | 0                                            | 0                                 |  |  |

| Net Capital Loss Carry Forward Deduction                          | Total Legal<br>Entity | Non-<br>Distribution<br>Portion <sup>1</sup> | Bridge Year<br>Utility<br>Balance |
|-------------------------------------------------------------------|-----------------------|----------------------------------------------|-----------------------------------|
| Opening Balance                                                   | 0                     |                                              | 0                                 |
| Application of Loss Carry Forward to reduce taxable capital gains |                       |                                              | 0                                 |
| Other Adjustments +ADD -(DEDUCT) <sup>1</sup>                     |                       |                                              | 0                                 |
| Net Capital Losses Balance available                              | 0                     | 0                                            | 0                                 |

<sup>1</sup> Explanations for any amounts relating to non-distribution activities or other adjustments:

| Non-Distribution<br>Eliminations | Utility<br>Amount |
|----------------------------------|-------------------|
| 0                                | -22,958           |
|                                  |                   |
| 0                                | 0                 |
| 0                                | 44,634            |
| 0                                | 0                 |
| 0                                | 0                 |
| 0                                | 0                 |

| Line Item                                                            | T2S1 line<br># | Total for Legal<br>Entity | Non-Distribution<br>Eliminations | Utility<br>Amount |
|----------------------------------------------------------------------|----------------|---------------------------|----------------------------------|-------------------|
| Income before PILs/Taxes                                             | Α              | -22,958                   | 0                                | -22,958           |
| Additions:                                                           |                |                           |                                  |                   |
| Interest and penalties on taxes                                      | 103            | 0                         | 0                                | 0                 |
| Amortization of tangible assets                                      | 104            | 44,634                    | 0                                | 44,634            |
| Amortization of intangible assets                                    | 106            | 0                         | 0                                | 0                 |
| Recapture of capital cost allowance<br>from Schedule 8               | 107            | 0                         | 0                                | 0                 |
| Gain on sale of eligible capital property from Schedule 10           | 108            | 0                         | 0                                | 0                 |
| Income or loss for tax purposes- joint<br>ventures or partnerships   | 109            | 0                         | 0                                | 0                 |
| Loss in equity of subsidiaries and<br>affiliates                     | 110            | 0                         | 0                                | 0                 |
| Loss on disposal of assets                                           | 111            | 0                         | 0                                | 0                 |
| Charitable donations                                                 | 112            | 0                         | 0                                | 0                 |
| Taxable Capital Gains                                                | 113            | 0                         | 0                                | 0                 |
| Political Donations                                                  | 114            | 0                         | 0                                | 0                 |
| Deferred and prepaid expenses                                        | 116            | 0                         | 0                                | 0                 |
| Scientific research expenditures<br>deducted on financial statements | 118            | 0                         | 0                                | 0                 |
| Capitalized interest                                                 | 119            | 0                         | 0                                | 0                 |
| Non-deductible club dues and fees                                    | 120            | 0                         | 0                                | 0                 |
| Non-deductible meals and<br>entertainment expense                    | 121            | 0                         | 0                                | 0                 |
| Non-deductible automobile expenses                                   | 122            | 0                         | 0                                | 0                 |
| Non-deductible life insurance premiums                               | 123            | 0                         | 0                                | 0                 |
| Non-deductible company pension plans                                 | 124            | 0                         | 0                                | 0                 |
| Tax reserves beginning of year                                       | 125            | 0                         | 0                                | 0                 |
| Reserves from financial statements-<br>balance at end of year        | 126            | 0                         | 0                                | 0                 |

3/31/2008

| Line Item                                                                                                  | T2S1 line<br># | Total for Legal<br>Entity | Non-Distribution<br>Eliminations | Utility<br>Amount |
|------------------------------------------------------------------------------------------------------------|----------------|---------------------------|----------------------------------|-------------------|
| Soft costs on construction and<br>renovation of buildings                                                  | 127            | 0                         | 0                                | 0                 |
| Book loss on joint ventures or<br>partnerships                                                             | 205            | 0                         | 0                                | 0                 |
| Capital items expensed                                                                                     | 206            | 0                         | 0                                | 0                 |
| Debt issue expense                                                                                         | 208            | 0                         | 0                                | 0                 |
| Development expenses claimed in<br>current year                                                            | 212            | 0                         | 0                                | 0                 |
| Financing fees deducted in books                                                                           | 216            | 0                         | 0                                | 0                 |
| Gain on settlement of debt                                                                                 | 220            | 0                         | 0                                | 0                 |
| Non-deductible advertising                                                                                 | 226            | 0                         | 0                                | 0                 |
| Non-deductible interest                                                                                    | 227            | 0                         | 0                                | 0                 |
| Non-deductible legal and accounting fees                                                                   | 228            | 0                         | 0                                | 0                 |
| Recapture of SR&ED expenditures                                                                            | 231            | 0                         | 0                                | 0                 |
| Share issue expense                                                                                        | 235            | 0                         | 0                                | 0                 |
| Write down of capital property                                                                             | 236            | 0                         | 0                                | C                 |
| Amounts received in respect of<br>qualifying environment trust per<br>paragraphs 12(1)(z.1) and 12(1)(z.2) | 237            | 0                         | 0                                | C                 |
| Interest Expensed on Capital Leases                                                                        | 290            | 0                         | 0                                | C                 |
| Realized Income from Deferred Credit<br>Accounts                                                           | 291            | 0                         | 0                                | 0                 |
| Pensions                                                                                                   | 292            | 0                         | 0                                | 0                 |
| Non-deductible penalties                                                                                   | 293            | 0                         | 0                                | 0                 |
| Debt Financing Expenses for Book<br>Purposes                                                               | 294            | 0                         | 0                                | 0                 |
| Other Additions (see OtherAdditions sheet)                                                                 | 295            | 20,333                    | 0                                | 20,333            |
| Total Additions                                                                                            |                | 64,967                    | 0                                | 64,967            |

**Deductions:** 

| Line Item                                                                | T2S1 line<br># | Total for Legal<br>Entity | Non-Distribution<br>Eliminations | Utility<br>Amount |
|--------------------------------------------------------------------------|----------------|---------------------------|----------------------------------|-------------------|
| Gain on disposal of assets per financial statements                      | 401            | 0                         | 0                                | 0                 |
| Dividends not taxable under section 83                                   | 402            | 0                         | 0                                | 0                 |
| Capital cost allowance from Schedule 8                                   | 403            | 31,847                    | 0                                | 31,847            |
| Terminal loss from Schedule 8                                            | 404            | 0                         | 0                                | 0                 |
| Cumulative eligible capital deduction<br>from Schedule 10                | 405            | 166                       | 0                                | 166               |
| Allowable business investment loss                                       | 406            | 0                         | 0                                | 0                 |
| Deferred and prepaid expenses                                            | 409            | 0                         | 0                                | 0                 |
| Scientific research expenses claimed in year                             | 411            | 0                         | 0                                | 0                 |
| Tax reserves end of year                                                 | 413            | 0                         | 0                                | C                 |
| Reserves from financial statements -<br>balance at beginning of year     | 414            | 0                         | 0                                | С                 |
| Contributions to deferred income plans                                   | 416            | 0                         | 0                                | C                 |
| Book income of joint venture or<br>partnership                           | 305            | 0                         | 0                                | C                 |
| Equity in income from subsidiary or affiliates                           | 306            | 0                         | 0                                | (                 |
| Interest capitalized for accounting<br>deducted for tax                  | 390            | 0                         | 0                                | (                 |
| Capital Lease Payments                                                   | 391            | 0                         | 0                                | (                 |
| Non-taxable imputed interest income on<br>deferral and variance accounts | 392            | 0                         | 0                                | C                 |
| Financing Fees for Tax Under<br>S.20(1)(e)                               | 393            | 0                         | 0                                | C                 |
| Other Deductions (see OtherDeductions sheet)                             | 394            | 26,753                    | 0                                | 26,753            |
| Total Deductions                                                         |                | 58,766                    | 0                                | 58,766            |
| Net Income for Tax Purposes                                              |                | -16,756                   | 0                                | -16,756           |

| Line Item                                                                              | T2S1 line<br># | Total for Legal<br>Entity | Non-Distribution<br>Eliminations | Utility<br>Amount |
|----------------------------------------------------------------------------------------|----------------|---------------------------|----------------------------------|-------------------|
| Charitable donations from Schedule 2                                                   | 311            | 0                         | 0                                | 0                 |
| Taxable dividends deductible under<br>section 112 or 113, from Schedule 3 (item<br>82) |                | 0                         | 0                                | 0                 |
| Non-capital losses of preceding taxation years from Schedule 7-1                       | 331            | 0                         | 0                                | 0                 |
| Net-capital losses of preceding taxation years from Schedule 7-1                       | 332            | 0                         | 0                                | 0                 |
| Limited partnership losses of preceding taxation years from Schedule 4                 | 335            | 0                         | 0                                | 0                 |
| TAXABLE INCOME                                                                         |                | -16,756                   | 0                                | -16,756           |

| Line Item                              | Amount |   |  |
|----------------------------------------|--------|---|--|
| Actual Interest Expense                | 20,333 | / |  |
| ARO Accretion Expenses                 | -      |   |  |
| Capital Contributions Under S.12(1)(k) | -      |   |  |
| Recovery Reg. Ass.                     | -      |   |  |

| Line Item                             | Amount |   |  |
|---------------------------------------|--------|---|--|
| Deemed Interest Expense               | 20,333 | / |  |
| Financing Fees for Tax Under S.20(1)( | -      |   |  |
| Capital Tax Adjust to Actual          | -      |   |  |
| ARO Payments - Deductible for Tax     | -      |   |  |
| S.13(7.4) Election                    | -      |   |  |
| Bad Debt Recovery - Pre. October 1, 2 | -      |   |  |
| ITC Booked in Accounting Income       | -      |   |  |
| Regulatory assets                     | 0      |   |  |
| Ores contract                         | 6420   |   |  |

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| Deemed Interest Expense                                                                                                     | 21,127 |
|-----------------------------------------------------------------------------------------------------------------------------|--------|
| Actual Interest Expense                                                                                                     | 20,333 |
| 6040-Allowance for Borrowed Funds Used During ConstructionCredit<br>6042-Allowance For Other Funds Used During Construction | 0      |
| Actual Interest Cost                                                                                                        | 20,333 |
| Adjustments (attach explanations)                                                                                           | 0      |
| Total Interest                                                                                                              | 20,333 |
| Excess Interest Expense                                                                                                     | 0      |

|                        | ОСТ                   | LCT                   |
|------------------------|-----------------------|-----------------------|
| Total Rate Base        | 730,958               | 730,958               |
| Exemption              | ( <u>15,000,000</u> ) | ( <u>50,000,000</u> ) |
| Deemed Taxable Capital | 0                     | 0                     |
| Rate                   | <u>0.000</u> %        | <u>0.000</u> %        |
| Gross Tax Payable      | 0                     | 0                     |
| Surtax                 |                       | 0                     |
| Net Tax Payable        | 0                     | 0                     |

|                            | Source       | Tax<br>Payable | Inclusion in |                          |
|----------------------------|--------------|----------------|--------------|--------------------------|
| Des lates To able la serie | or Input     |                | Revenue Req. |                          |
| Regulatory Taxable Income  | TxblIncome   | (16,756)       |              |                          |
| Combined Income Tax Rate   | TaxRates     | <u>0.000</u> % |              |                          |
| Total Income Taxes         |              | -              |              |                          |
| Investment Tax Credits     | -            |                |              |                          |
| Miscellaneous Tax Credits  |              |                |              |                          |
| Total Tax Credits          |              |                |              |                          |
| Income Tax Provision       |              | -              | -            | grossed-up for income ta |
| Ontario Capital Tax        | CapitalTaxes | -              | -            | not grossed-up           |
| Large Corporations Tax     | CapitalTaxes | -              | -            | grossed-up for income ta |
| Total PILs                 |              | -              | -            | amount for Output        |

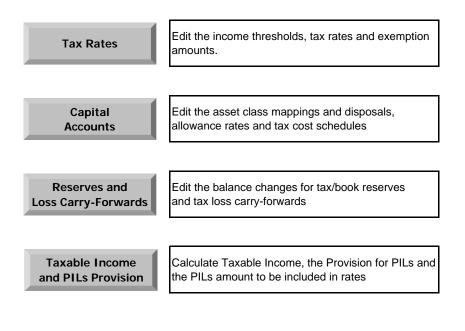
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**Total PILs Amount** 



### FTY REVENUE REQUIREMENT: PROVISION IN LIEU OF TAXES

#### TEST YEAR



Save and Continue Save this workbook and open the Revenue Requirement file

Close

Close this workbook and return to the Bridge Year PILs file

|                      | Income Range | 9          |            |           |
|----------------------|--------------|------------|------------|-----------|
|                      | 0 to         | 300,000 to | 400,000 to | 1,128,519 |
|                      | 300,000      | 400,000    | 1,128,519  | or more   |
| Federal Income Tax   | 11.000%      | 11.000%    | 19.500%    | 19.500%   |
| Ontario Income Tax   | 5.500%       | 5.500%     | 5.500%     | 14.000%   |
| Combined Income Tax  | 16.500%      | 16.500%    | 25.000%    | 33.500%   |
| Ontario SBD Clawback | 0.000%       | 0.000%     | 4.667%     | 0.000%    |

| Total Rate Base | 730,958    |
|-----------------|------------|
| OCTexemption    | 15,000,000 |
| LCTexemption    | 50,000,000 |
| OCTrate         | 0.000%     |
| LCTrate         | 0.000%     |
| LCTsurtax       | 0.000%     |

|      | AcctDesc                                                           | CCAclass | Additions | Disposals |
|------|--------------------------------------------------------------------|----------|-----------|-----------|
| 1606 | 1606-Organization                                                  | ECP      | 0         |           |
| 1608 | 1608-Franchises and Consents                                       | 14       | 0         |           |
| 1610 | 1610-Miscellaneous Intangible Plant                                | ECP      | 0         |           |
| 1805 | 1805-Land                                                          | LAND     | 0         |           |
| 1806 | 1806-Land Rights                                                   | ECP      | 0         |           |
| 1808 | 1808-Buildings and Fixtures                                        | 1        | 0         |           |
| 1810 | 1810-Leasehold Improvements                                        | 13 3     | 0         |           |
| 1815 | 1815-Transformer Station Equipment - Normally Primary above 50 k   | 47       | 0         |           |
| 1820 | 1820-Distribution Station Equipment - Normally Primary below 50 kV | 47       | 0         |           |
| 1825 | 1825-Storage Battery Equipment                                     | 47       | 0         |           |
| 1830 | 1830-Poles, Towers and Fixtures                                    | 47       | 0         |           |
| 1835 | 1835-Overhead Conductors and Devices                               | 47       | 40,000    |           |
| 1840 | 1840-Underground Conduit                                           | 47       | 0         |           |
| 1845 | 1845-Underground Conductors and Devices                            | 47       | 0         |           |
| 1850 | 1850-Line Transformers                                             | 47       | 0         |           |
| 1855 | 1855-Services                                                      | 47       | 0         |           |
| 1860 | 1860-Meters                                                        | 47       | 0         |           |
| 1865 | 1865-Other Installations on Customer's Premises                    | 47       | 0         |           |
| 1870 | 1870-Leased Property on Customer Premises                          | 1        | 0         |           |
| 1875 | 1875-Street Lighting and Signal Systems                            | 8        | 0         |           |
| 1905 | 1905-Land                                                          | LAND     | 0         |           |
| 1906 | 1906-Land Rights                                                   | ECP      | 0         |           |
| 1908 | 1908-Buildings and Fixtures                                        | 47       | 0         |           |
| 1910 | 1910-Leasehold Improvements                                        | 13 4     | 0         |           |
| 1915 | 1915-Office Furniture and Equipment                                | 8        | 0         |           |
| 1920 | 1920-Computer Equipment - Hardware                                 | 45       | 0         |           |
| 1925 | 1925-Computer Software                                             | 12       | 57,200    |           |
| 1930 | 1930-Transportation Equipment                                      | 10       | 0         |           |
| 1935 | 1935-Stores Equipment                                              | 8        | 0         |           |
| 1940 | 1940-Tools, Shop and Garage Equipment                              | 8        | 0         |           |
| 1945 | 1945-Measurement and Testing Equipment                             | 8        | 0         |           |
| 1950 | 1950-Power Operated Equipment                                      | 8        | 0         |           |
| 1955 | 1955-Communication Equipment                                       | 8        | 0         |           |
| 1960 | 1960-Miscellaneous Equipment                                       | 8        | 0         |           |
| 1965 | 1965-Water Heater Rental Units                                     | 8        | 0         |           |

| USAacct | AcctDesc                                                | CCAclass | Additions | Disposals |
|---------|---------------------------------------------------------|----------|-----------|-----------|
| 1970    | 1970-Load Management Controls - Customer Premises       | 8        | 0         |           |
| 1975    | 1975-Load Management Controls - Utility Premises        | 8        | 0         |           |
| 1980    | 1980-System Supervisory Equipment                       | 8        | 0         |           |
| 1985    | 1985-Sentinel Lighting Rental Units                     | 8        | 0         |           |
| 1990    | 1990-Other Tangible Property                            | 8        | 0         |           |
| 1995    | 1995-Contributions and Grants - Credit                  | 47       | 0         |           |
| 2005    | 2005-Property Under Capital Leases                      | CL       | 0         |           |
| 2010    | 2010-Electric Plant Purchased or Sold                   | 47       | 0         |           |
| 2020    | 2020-Experimental Electric Plant Unclassified           | 47       | 0         |           |
| 2030    | 2030-Electric Plant and Equipment Leased to Others      | 47       | 0         |           |
| 2040    | 2040-Electric Plant Held for Future Use                 | 47       | 0         |           |
| 2050    | 2050-Completed Construction Not ClassifiedElectric      | 47       | 0         |           |
| 2055    | 2055-Construction Work in ProgressElectric              | WIP      | 0         |           |
| 2060    | 2060-Electric Plant Acquisition Adjustment              | ECP      | 0         |           |
| 2065    | 2065-Other Electric Plant Adjustment                    | ECP      | 0         |           |
| 2070    | 2070-Other Utility Plant                                | 47       | 0         |           |
| 2075    | 2075-Non-Utility Property Owned or Under Capital Leases | CL       | 0         |           |

| Class           | Class Description                                                                   |  | UCC Test Year<br>Opening<br>Balance |
|-----------------|-------------------------------------------------------------------------------------|--|-------------------------------------|
| 1               | Distribution System -<br>1988 to 22-Feb-2005                                        |  | 198,269                             |
| 2               | Distribution System -<br>pre 1988                                                   |  | 212,084                             |
| 8               | General Office/Stores<br>Equip                                                      |  | 1,683                               |
| 10              | Computer Hardware/<br>Vehicles                                                      |  | 2,539                               |
| 10.1            | Certain Automobiles                                                                 |  | 0                                   |
| 12              | Computer Software                                                                   |  | 0                                   |
| 13 <sub>1</sub> | Lease # 1                                                                           |  | 0                                   |
| 13 <sub>2</sub> | Lease #2                                                                            |  | 0                                   |
| 13 <sub>3</sub> | Lease # 3                                                                           |  | 0                                   |
| 13 4            | Lease # 4                                                                           |  | 0                                   |
| 14              | Franchise                                                                           |  | 0                                   |
| 17              | New Electrical<br>Generating Equipment<br>Acq'd after Feb 27/00<br>Other Than Bldgs |  | 0                                   |
| 43.1            | Certain Energy-Efficient<br>Electrical Generating<br>Equipment                      |  | 0                                   |
| 45              | Computers & Systems<br>Software acq'd post Mar<br>22/04                             |  | 2,780                               |
| 46              | Data Network<br>Infrastructure<br>Equipment (acq'd post<br>Mar 22/04)               |  | 0                                   |
| 47              | Distribution System -<br>post 22-Feb-2005                                           |  | 35,326                              |
| 98              | No CCA                                                                              |  | 0                                   |

|       |                   |  | UCC Test Year |
|-------|-------------------|--|---------------|
| Class | Class Description |  | Opening       |
|       |                   |  | Balance       |
|       |                   |  | 0             |
|       |                   |  | 0             |
|       | SUB-TOTAL - UCC   |  | 452,680       |
|       |                   |  |               |
|       |                   |  |               |
|       |                   |  |               |
|       |                   |  |               |
|       |                   |  |               |
|       |                   |  |               |
|       | SUB-TOTAL - CEC   |  | 2,212         |

| Class | Class Description                                                                | UCC Opening<br>Balance | Additions | Dispositions | UCC Before 1/2<br>Yr Adjustment | 1/2 Year Rule<br>{1/2 Additions<br>Less Disposals} | Reduced UCC | Rate % | CCA    | UCC Ending Balance |
|-------|----------------------------------------------------------------------------------|------------------------|-----------|--------------|---------------------------------|----------------------------------------------------|-------------|--------|--------|--------------------|
|       | Distribution System - 1988<br>to 22-Feb-2005                                     | 198,269                | 0         | 0            | 198,269                         | 0                                                  | 198,269     | 4%     | 7,931  | 190,338            |
| 2     | Distribution System - pre<br>1988                                                | 212,084                | 0         | 0            | 212,084                         | 0                                                  | 212,084     | 6%     | 12,725 | 199,359            |
| 8     | General Office/Stores Equip                                                      | 1,683                  | 0         | 0            | 1,683                           | 0                                                  | 1,683       | 20%    | 337    | 1,347              |
|       | Computer Hardware/<br>Vehicles                                                   | 2,539                  | 0         | 0            | 2,539                           | 0                                                  | 2,539       | 30%    | 762    | 1,777              |
| 10.1  | Certain Automobiles                                                              | 0                      | 0         | 0            | 0                               | 0                                                  | 0           | 30%    | 0      | 0                  |
| 12    | Computer Software                                                                | 0                      | 57,200    | 0            | 57,200                          | 28,600                                             | 28,600      | 100%   | 28,600 | 28,600             |
| 13 1  | Lease # 1                                                                        | 0                      | 0         | 0            | 0                               | 0                                                  | 0           |        | 0      | 0                  |
| 13 2  | Lease #2                                                                         | 0                      | 0         | 0            | 0                               | 0                                                  | 0           |        | 0      | 0                  |
| 13 3  | Lease # 3                                                                        | 0                      | 0         | 0            | 0                               | 0                                                  | 0           |        | 0      | 0                  |
| 13 4  | Lease # 4                                                                        | 0                      | 0         | 0            | 0                               | 0                                                  | 0           |        | 0      | 0                  |
| 14    | Franchise                                                                        | 0                      | 0         | 0            | 0                               | 0                                                  | 0           |        | 0      | 0                  |
| 17    | New Electrical Generating<br>Equipment Acq'd after Feb<br>27/00 Other Than Bldgs | 0                      | 0         | 0            | 0                               | 0                                                  | 0           | 8%     | 0      | 0                  |
| 43.1  | Certain Energy-Efficient<br>Electrical Generating<br>Equipment                   | 0                      | 0         | 0            | 0                               | 0                                                  | 0           | 30%    | 0      | 0                  |
| 45    | Computers & Systems<br>Software acq'd post Mar<br>22/04                          | 2,780                  | 0         | 0            | 2,780                           | 0                                                  | 2,780       | 45%    | 1,251  | 1,529              |
| 46    | Data Network Infrastructure<br>Equipment (acq'd post Mar<br>22/04)               | 0                      | 0         | 0            | 0                               | 0                                                  | 0           | 30%    | 0      | 0                  |

| Class | Class Description                         | UCC Opening<br>Balance | Additions | Dispositions | UCC Before 1/2<br>Yr Adjustment | 1/2 Year Rule<br>{1/2 Additions<br>Less Disposals} | Reduced UCC | Rate % | CCA    | UCC Ending Balance |
|-------|-------------------------------------------|------------------------|-----------|--------------|---------------------------------|----------------------------------------------------|-------------|--------|--------|--------------------|
|       | Distribution System - post<br>22-Feb-2005 | 35,326                 | 40,000    | 0            | 75,326                          | 20,000                                             | 55,326      | 8%     | 4,426  | 70,900             |
| 98    | No CCA                                    | 0                      | 0         | 0            | 0                               | 0                                                  | 0           |        | 0      | 0                  |
|       |                                           |                        | 0         | 0            |                                 | 0                                                  | 0           |        | 0      | 0                  |
|       |                                           |                        | 0         | 0            |                                 |                                                    | 0           |        | 0      | 0                  |
|       | TOTAL                                     | 452,680                | 97,200    | 0            | 549,880                         | 48,600                                             | 501,280     |        | 56,031 | 493,849            |

|                            | of sale (less outlays and expenses not otherwise<br>e) from the disposition of all ECP during the year |   |         |   |       |
|----------------------------|--------------------------------------------------------------------------------------------------------|---|---------|---|-------|
| Projected proceeds c       | of sale (less outlays and expenses not otherwise                                                       |   |         |   |       |
|                            |                                                                                                        |   |         |   |       |
| Deductions                 | Sublota                                                                                                |   |         |   | 2,212 |
|                            | Subtotal                                                                                               |   |         |   | 2,212 |
| Amount trans               | ferred on amalgamation or wind-up of subsidiary                                                        | 0 |         |   | 0     |
|                            | the Corporation after Friday, December 20, 2002                                                        | 0 | x 1/2 = | 0 | 0     |
| lon-taxable portion of a r | non-arm's length transferor's gain realized on the                                                     |   |         |   |       |
|                            | Subtotal                                                                                               | 0 | x 3/4 = | 0 |       |
|                            | Other Adjustments                                                                                      | 0 |         |   |       |
| Additions<br>Cost of E     | ligible Capital Property Acquired during the year                                                      | 0 |         |   |       |

| Description                                                                           | Test Year<br>Adjusted<br>Opening<br>Balance | Add (+) | Deduct (-) | Ending<br>Balance | Change<br>During<br>the Year | Disallowed<br>Expenses |
|---------------------------------------------------------------------------------------|---------------------------------------------|---------|------------|-------------------|------------------------------|------------------------|
| Capital Gains Reserves ss.40(1)                                                       | 0                                           |         |            | 0                 | 0                            |                        |
| Tax Reserves Not Deducted for                                                         | 0                                           |         |            | 0                 | 0                            |                        |
| Reserve for doubtful accounts ss.<br>20(1)(I)                                         | 0                                           |         |            | 0                 | 0                            |                        |
| Reserve for goods and services not delivered ss. 20(1)(m)                             | 0                                           |         |            | 0                 | 0                            |                        |
| Reserve for unpaid amounts ss. 20(1)(n)                                               | 0                                           |         |            | 0                 | 0                            |                        |
| Debt & Share Issue Expenses ss.<br>20(1)(e)                                           | 0                                           |         |            | 0                 | 0                            |                        |
| Other tax reserves                                                                    | 0                                           |         |            | 0                 | 0                            |                        |
|                                                                                       | 0                                           |         |            | 0                 | 0                            |                        |
|                                                                                       | 0                                           |         |            | 0                 | 0                            |                        |
| Total Tax Reserves                                                                    | 0                                           | 0       | 0          | 0                 | 0                            | 0                      |
| Accounting Reserves (not deductible                                                   |                                             |         |            |                   |                              |                        |
| General Reserve for Inventory<br>Obsolescence (non-specific)                          | 0                                           |         |            | 0                 | 0                            |                        |
| General reserve for bad debts                                                         | 0                                           |         |            | 0                 | 0                            |                        |
| Accrued Employee Future Benefits:                                                     | 0                                           |         |            | 0                 | 0                            |                        |
| - Medical and Life Insurance                                                          | 0                                           |         |            | 0                 | 0                            |                        |
| -Short & Long-term Disability                                                         | 0                                           |         |            | 0                 | 0                            |                        |
| -Accumulated Sick Leave                                                               | 0                                           |         |            | 0                 | 0                            |                        |
| - Termination Cost     - Other Post-Employment Benefits                               | 0                                           |         |            | 0                 | 0                            |                        |
| Provision for Environmental Costs                                                     | 0                                           |         |            | 0                 | 0                            |                        |
| Restructuring Costs                                                                   | 0                                           |         |            | 0                 | 0                            |                        |
| Accrued Contingent Litigation Costs                                                   | 0                                           |         |            | 0                 | 0                            |                        |
| Accrued Self-Insurance Costs                                                          | 0                                           |         |            | 0                 | 0                            |                        |
| Other Contingent Liabilities                                                          | 0                                           |         |            | 0                 | 0                            |                        |
| Bonuses Accrued and Not Paid Within<br>180 Days of Year-End ss. 78(4)                 | 0                                           |         |            | 0                 | 0                            |                        |
| Unpaid Amounts to Related Person and<br>Not Paid Within 3 Taxation Years ss.<br>78(1) | 0                                           |         |            | 0                 | 0                            |                        |
| Other Accounting Reserves                                                             | 0                                           |         |            | 0                 | 0                            |                        |
|                                                                                       | 0                                           |         |            | 0                 | 0                            |                        |
|                                                                                       | 0                                           |         |            | 0                 | 0                            |                        |
| Total Accounting Reserves                                                             | 0                                           | 0       | 0          | 0                 | 0                            | 0                      |

# Sign Convention: Increase (+) Decrease (-)

| Increase (+) Decrease (-)                                  |                       |                                              |                                 |
|------------------------------------------------------------|-----------------------|----------------------------------------------|---------------------------------|
| Non-Capital Loss Carry Forward Deduction                   | Total Legal<br>Entity | Non-<br>Distribution<br>Portion <sup>1</sup> | Test Year<br>Utility<br>Balance |
| Opening Balance                                            | 0                     |                                              | 0                               |
| Application of Loss Carry Forward to reduce taxable income |                       |                                              | 0                               |
| Other Adjustments Add (+) Deduct (-) <sup>1</sup>          |                       |                                              | 0                               |
| Non-Capital Losses Balance available                       | 0                     | 0                                            | 0                               |

| Net Capital Loss Carry Forward Deduction                          | Total Legal<br>Entity | Non-<br>Distribution<br>Portion <sup>1</sup> | Test Year<br>Utility<br>Balance |
|-------------------------------------------------------------------|-----------------------|----------------------------------------------|---------------------------------|
| Opening Balance                                                   | 0                     |                                              | 0                               |
| Application of Loss Carry Forward to reduce taxable capital gains |                       |                                              | 0                               |
| Other Adjustments +ADD -(DEDUCT) <sup>1</sup>                     |                       |                                              | 0                               |
| Net Capital Losses Balance available                              | 0                     | 0                                            | 0                               |

<sup>1</sup> Explanations for any amounts relating to non-distribution activities or other adjustments:

| Line Item                                                            | T2S1 line | Total for Legal | Non-Distribution | Utility |
|----------------------------------------------------------------------|-----------|-----------------|------------------|---------|
|                                                                      | #         | Entity          | Eliminations     | Amount  |
| Income before PILs/Taxes                                             | Α         | 29,254          | 0                | 29,254  |
| Additions:                                                           |           |                 |                  |         |
| Interest and penalties on taxes                                      | 103       | 0               | 0                | 0       |
| Amortization of tangible assets                                      | 104       | 51,889          | 0                | 51,889  |
| Amortization of intangible assets                                    | 106       | 0               | 0                | 0       |
| Recapture of capital cost allowance<br>from Schedule 8               | 107       | 0               | 0                | 0       |
| Gain on sale of eligible capital property<br>from Schedule 10        | 108       | 0               | 0                | 0       |
| Income or loss for tax purposes- joint ventures or partnerships      | 109       | 0               | 0                | 0       |
| Loss in equity of subsidiaries and affiliates                        | 110       | 0               | 0                | 0       |
| Loss on disposal of assets                                           | 111       | 0               | 0                | 0       |
| Charitable donations                                                 | 112       | 0               | 0                | 0       |
| Taxable Capital Gains                                                | 113       | 0               | 0                | 0       |
| Political Donations                                                  | 114       | 0               | 0                | 0       |
| Deferred and prepaid expenses                                        | 116       | 0               | 0                | 0       |
| Scientific research expenditures<br>deducted on financial statements | 118       | 0               | 0                | 0       |
| Capitalized interest                                                 | 119       | 0               | 0                | 0       |
| Non-deductible club dues and fees                                    | 120       | 0               | 0                | 0       |
| Non-deductible meals and<br>entertainment expense                    | 121       | 0               | 0                | 0       |
| Non-deductible automobile expenses                                   | 122       | 0               | 0                | 0       |
| Non-deductible life insurance premiums                               | 123       | 0               | 0                | 0       |
| Non-deductible company pension plans                                 | 124       | 0               | 0                | 0       |
| Tax reserves beginning of year                                       | 125       | 0               | 0                | 0       |

0

0

0

126

Reserves from financial statements-

balance at end of year

| Line Item                                                                                            | T2S1 line<br># | Total for Legal<br>Entity | Non-Distribution<br>Eliminations | Utility<br>Amount |
|------------------------------------------------------------------------------------------------------|----------------|---------------------------|----------------------------------|-------------------|
| Soft costs on construction and<br>renovation of buildings                                            | 127            | 0                         | 0                                | (                 |
| Book loss on joint ventures or<br>partnerships                                                       | 205            | 0                         | 0                                | (                 |
| Capital items expensed                                                                               | 206            | 0                         | 0                                | (                 |
| Debt issue expense                                                                                   | 208            | 0                         | 0                                | (                 |
| Development expenses claimed in<br>current year                                                      | 212            | 0                         | 0                                | (                 |
| Financing fees deducted in books                                                                     | 216            | 0                         | 0                                | (                 |
| Gain on settlement of debt                                                                           | 220            | 0                         | 0                                | (                 |
| Non-deductible advertising                                                                           | 226            | 0                         | 0                                | (                 |
| Non-deductible interest                                                                              | 227            | 0                         | 0                                | (                 |
| Non-deductible legal and accounting fees                                                             | 228            | 0                         | 0                                | (                 |
| Recapture of SR&ED expenditures                                                                      | 231            | 0                         | 0                                | (                 |
| Share issue expense                                                                                  | 235            | 0                         | 0                                | (                 |
| Write down of capital property                                                                       | 236            | 0                         | 0                                | (                 |
| Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2) | 237            | 0                         | 0                                | (                 |
| Interest Expensed on Capital Leases                                                                  | 290            | 0                         | 0                                | (                 |
| Realized Income from Deferred Credit<br>Accounts                                                     | 291            | 0                         | 0                                | C                 |
| Pensions                                                                                             | 292            | 0                         | 0                                | (                 |
| Non-deductible penalties                                                                             | 293            | 0                         | 0                                | (                 |
| Debt Financing Expenses for Book<br>Purposes                                                         | 294            | 0                         | 0                                | C                 |
| Other Additions (see OtherAdditions sheet)                                                           | 295            | 20,333                    | 0                                | 20,333            |
| Total Additions                                                                                      |                | 72,222                    | 0                                | 72,222            |

**Deductions:** 

| Line Item                                                                | T2S1 line<br># | Total for Legal<br>Entity | Non-Distribution<br>Eliminations | Utility<br>Amount |
|--------------------------------------------------------------------------|----------------|---------------------------|----------------------------------|-------------------|
| Gain on disposal of assets per financial statements                      | 401            | 0                         | 0                                | C                 |
| Dividends not taxable under section 83                                   | 402            | 0                         | 0                                | (                 |
| Capital cost allowance from Schedule 8                                   | 403            | 56,031                    | 0                                | 56,031            |
| Terminal loss from Schedule 8                                            | 404            | 0                         | 0                                | C                 |
| Cumulative eligible capital deduction<br>from Schedule 10                | 405            | 155                       | 0                                | 155               |
| Allowable business investment loss                                       | 406            | 0                         | 0                                | (                 |
| Deferred and prepaid expenses                                            | 409            | 0                         | 0                                | C                 |
| Scientific research expenses claimed in year                             | 411            | 0                         | 0                                | C                 |
| Tax reserves end of year                                                 | 413            | 0                         | 0                                | (                 |
| Reserves from financial statements -<br>balance at beginning of year     | 414            | 0                         | 0                                | (                 |
| Contributions to deferred income plans                                   | 416            | 0                         | 0                                | (                 |
| Book income of joint venture or<br>partnership                           | 305            | 0                         | 0                                | (                 |
| Equity in income from subsidiary or<br>affiliates                        | 306            | 0                         | 0                                | (                 |
| Interest capitalized for accounting<br>deducted for tax                  | 390            | 0                         | 0                                | (                 |
| Capital Lease Payments                                                   | 391            | 0                         | 0                                | (                 |
| Non-taxable imputed interest income on<br>deferral and variance accounts | 392            | 0                         | 0                                | (                 |
| Financing Fees for Tax Under<br>S.20(1)(e)                               | 393            | 0                         | 0                                | (                 |
| Other Deductions (see OtherDeductions sheet)                             | 394            | 20,333                    | 0                                | 20,333            |
| Total Deductions                                                         |                | 76,519                    | 0                                | 76,519            |
| Net Income for Tax Purposes                                              |                | 24,958                    | 0                                | 24,958            |

| Line Item                                                                              | T2S1 line<br># | Total for Legal<br>Entity | Non-Distribution<br>Eliminations | Utility<br>Amount |
|----------------------------------------------------------------------------------------|----------------|---------------------------|----------------------------------|-------------------|
| Charitable donations from Schedule 2                                                   | 311            | 0                         | 0                                | 0                 |
| Taxable dividends deductible under<br>section 112 or 113, from Schedule 3 (item<br>82) |                | 0                         | 0                                | 0                 |
| Non-capital losses of preceding taxation years from Schedule 7-1                       | 331            | 0                         | 0                                | 0                 |
| Net-capital losses of preceding taxation years from Schedule 7-1                       | 332            | 0                         | 0                                | 0                 |
| Limited partnership losses of preceding taxation years from Schedule 4                 | 335            | 0                         | 0                                | 0                 |
| TAXABLE INCOME                                                                         |                | 24,958                    | 0                                | 24,958            |

| Line Item                              | Amount |   |  |
|----------------------------------------|--------|---|--|
| Actual Interest Expense                | 20,333 | / |  |
| ARO Accretion Expenses                 | -      |   |  |
| Capital Contributions Under S.12(1)(k) | -      |   |  |
| Recovery Reg. Assets                   | -      |   |  |

| Line Item                             | Amount |  |
|---------------------------------------|--------|--|
| Deemed Interest Expense               | 20,333 |  |
| Financing Fees for Tax Under S.20(1)( | -      |  |
| Capital Tax Adjust to Actual          | -      |  |
| ARO Payments - Deductible for Tax     | -      |  |
| S.13(7.4) Election                    | -      |  |
| Bad Debt Recovery - Pre. October 1, 2 | -      |  |
| ITC Booked in Accounting Income       | -      |  |
| Regulatory Asset                      | 0      |  |

| Deemed Interest Expense                                                                                                     | 21,127 |
|-----------------------------------------------------------------------------------------------------------------------------|--------|
| Actual Interest Expense                                                                                                     | 20,333 |
| 6040-Allowance for Borrowed Funds Used During ConstructionCredit<br>6042-Allowance For Other Funds Used During Construction | 0      |
| Actual Interest Cost                                                                                                        | 20,333 |
| Adjustments (attach explanations)                                                                                           |        |
| Total Interest                                                                                                              | 20,333 |

**Excess Interest Expense** 

|             | 20,333 |  |
|-------------|--------|--|
|             |        |  |
|             |        |  |
| · · · · · · | 00.000 |  |

|  | 0 |
|--|---|
|--|---|

|                        | ОСТ                   | LCT                   |
|------------------------|-----------------------|-----------------------|
| Total Rate Base        | 730,958               | 730,958               |
| Exemption              | ( <u>15,000,000</u> ) | ( <u>50,000,000</u> ) |
| Deemed Taxable Capital | 0                     | 0                     |
| Rate                   | <u>0.000</u> %        | <u>0.000</u> %        |
| Gross Tax Payable      | 0                     | 0                     |
| Surtax                 |                       | 0                     |
| Net Tax Payable        | 0                     | 0                     |

|                           | Source       | Tax             | Inclusion in |                            |
|---------------------------|--------------|-----------------|--------------|----------------------------|
|                           | or Input     | Payable         | Revenue Req. |                            |
| Regulatory Taxable Income | TxblIncome   | 24,958          |              |                            |
| Combined Income Tax Rate  | TaxRates     | <u>16.500</u> % |              |                            |
| Total Income Taxes        |              | 4,118           |              |                            |
| Investment Tax Credits    | -            |                 |              |                            |
| Miscellaneous Tax Credits |              |                 |              |                            |
| Total Tax Credits         |              | -               |              |                            |
| Income Tax Provision      |              | 4,118           | 4,932        | grossed-up for income taxe |
| Ontario Capital Tax       | CapitalTaxes | -               | -            | not grossed-up             |
| Large Corporations Tax    | CapitalTaxes | -               | -            | grossed-up for income taxe |
| Total PILs                |              | 4,118           | 4,932        | amount for Output          |

PILS2008.xls

PILS2008.xls

Total PILs Amount with gross-up:



| Canada Revenue<br>Agency                         | Agence du revenu<br>du Canada                                                                                                                                                                                                                                                                                                                                                                                     |                            |
|--------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
|                                                  | Business Consent form                                                                                                                                                                                                                                                                                                                                                                                             |                            |
| for an existing representat                      | sent to the release of confidential information about your program account(s) to the representative named belove. Send this completed form to your tax centre (see Instructions). Make sure you complete this form of tyou provided. You can also give or cancel consent by providing the requested information online through Messaccount.                                                                       | correctly, since we cannot |
| Note: Read all the instru                        | ctions before completing this form.                                                                                                                                                                                                                                                                                                                                                                               |                            |
| ┌ Part 1 – Business                              | information                                                                                                                                                                                                                                                                                                                                                                                                       |                            |
| Complete this part to id                         | entify your business (all fields have to be completed)                                                                                                                                                                                                                                                                                                                                                            |                            |
| Business name:                                   | HYDRO 2000 INC.                                                                                                                                                                                                                                                                                                                                                                                                   |                            |
| BN: 8659553                                      | Telephone Number: (613) 679-4093                                                                                                                                                                                                                                                                                                                                                                                  |                            |
| Part 2 – Authorizo                               | e a representative                                                                                                                                                                                                                                                                                                                                                                                                |                            |
| Complete either part a) or                       | b)                                                                                                                                                                                                                                                                                                                                                                                                                |                            |
| a) Authorize access by                           | telephone, fax, mail or in person by appointment                                                                                                                                                                                                                                                                                                                                                                  |                            |
| us to deal with a spec<br>then you are giving us | ent for an individual, enter that person's full name. If you are giving consent to a firm, enter the name and BN of<br>fic individual in that firm, enter <b>both</b> the individual's name and the firm's name and BN. If you do not identify a<br>consent to deal with anyone from that firm.<br><b>orizing a representative (individual or firm) who is not registered with the Represent a client service</b> | an individual of the firm, |
| number is required.                              |                                                                                                                                                                                                                                                                                                                                                                                                                   |                            |
|                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                   |                            |
| Name of Firm:                                    |                                                                                                                                                                                                                                                                                                                                                                                                                   |                            |
| Telephone number:                                | Extension: BN:                                                                                                                                                                                                                                                                                                                                                                                                    |                            |
|                                                  | OR                                                                                                                                                                                                                                                                                                                                                                                                                |                            |
| -                                                | ess (includes access by telephone, fax, mail or by appointment)                                                                                                                                                                                                                                                                                                                                                   |                            |
| "Represent a Client" s                           | r representative to deal with us through our online service for representatives. The Business Number must be<br>ervice to be an online representative. <b>Our online service does not have a year-specific option, so your</b><br>I <b>II years.</b> Please enter the name and RepID of the individual <b>or</b> GroupID and name of the group <b>or</b> name and                                                 | representative             |
|                                                  | and and a state of the mane and respect of the manadal of crouping and hame of the group of mane and                                                                                                                                                                                                                                                                                                              | [                          |
| OR                                               |                                                                                                                                                                                                                                                                                                                                                                                                                   |                            |
| Name of Group:                                   | and                                                                                                                                                                                                                                                                                                                                                                                                               | d GroupID: G               |
| OR<br>Name of Firm: DE                           | LOITTE. and                                                                                                                                                                                                                                                                                                                                                                                                       | н вм: 133245290            |
| Telephone Number:                                |                                                                                                                                                                                                                                                                                                                                                                                                                   |                            |
| ⊢ Part 3 – Select th                             | e program accounts, years and authorization level                                                                                                                                                                                                                                                                                                                                                                 |                            |
| a) Program Accounts                              | - Select the program accounts the above individual or firm is authorized to access (tick only box A or B).                                                                                                                                                                                                                                                                                                        |                            |
| A. X This authorizat                             | on applies to all program accounts and all years.                                                                                                                                                                                                                                                                                                                                                                 |                            |
| Expiry date:                                     |                                                                                                                                                                                                                                                                                                                                                                                                                   |                            |
|                                                  | AND                                                                                                                                                                                                                                                                                                                                                                                                               |                            |
| Authoriza                                        | tion Level (tick level 1 or 2)                                                                                                                                                                                                                                                                                                                                                                                    |                            |
| Level 1 let                                      | s CRA disclose information only on your program account(s) or                                                                                                                                                                                                                                                                                                                                                     |                            |
| X Level 2 let                                    | s CRA disclose information <b>and</b> accept changes to your program account(s).<br><b>OR</b>                                                                                                                                                                                                                                                                                                                     |                            |
| <b>B.</b> This authorizat complete 3b).          | ion applies only to program accounts and periods listed in Part 3b). If you ticked this option, you must                                                                                                                                                                                                                                                                                                          |                            |



# Business Consent form (RC59 continued)

## $_{ m extsf{ iny Part}}$ 3 – Select the program accounts, years and authorization level (continued) –

b) Details of program accounts and fiscal periods - Complete this area only if you ticked box B in Part 3a) on page 1.

If you ticked box B in part 3a), you have to provide at least one program identifier (see Instructions on page 1). You can then tick the "All program accounts" box for that program identifier or enter a reference number. Provide the authorization level (tick either box 1 to disclose information or box 2 to disclose information and accept changes to your program account).

You can also tick the "All years" box to allow unlimited tax year access **or** enter a specific fiscal period (specific period authorization **is not available** for online access). You can also enter an expiry date to automatically cancel authorization. If more authorizations or more than four program identifiers are needed, complete another Form RC59.

| Program identifier | All program Reference accounts number | Authorizat<br>level | tion | All<br>years |    | Specific fiscal period<br>(not available for online access) | Expiry date |
|--------------------|---------------------------------------|---------------------|------|--------------|----|-------------------------------------------------------------|-------------|
|                    |                                       | 1                   | 2    |              |    | Year-end                                                    |             |
|                    | or                                    |                     |      |              | or |                                                             |             |
|                    | or                                    |                     |      |              | or |                                                             |             |
|                    | or                                    |                     |      |              | or |                                                             |             |
|                    | or                                    |                     |      |              | or |                                                             |             |

#### □ Part 4 – Cancel one or more authorizations

| Complete this part <b>only</b> to cancel authorization(s)                           |     |            |
|-------------------------------------------------------------------------------------|-----|------------|
| A. Cancel all authorizations.                                                       |     |            |
| <b>B.</b> Cancel authorization for the individual, group, or firm identified below. |     |            |
| C. Cancel authorization for specific program account(s)                             |     |            |
| Name of Individual:                                                                 | and | RepID:     |
| OR<br>Name of Group:                                                                | and | GroupID: G |
| OR                                                                                  |     |            |
| Name of Firm:                                                                       | and | BN:        |

### Part 5 – Certification

This form has to be signed by an authorized person of the business such as an owner, a partner of a partnership, a director of a corporation, an officer of a non-profit organization or a trustee of an estate. By signing and dating this form, you authorize the CRA to deal with the individual, group, or firm listed in Part 2 of this form or cancel the authorizations listed in Part 4.

| First name: | REN | É | Last name: | BEAULNE         |
|-------------|-----|---|------------|-----------------|
| Sign here   | ►   |   |            | Date 2011-07-26 |

We wil not process this form unless it is signed and dated by an authorized person of the business.

The Privacy Act protects information given on this form, which is kept in personal information bank numbers CRA PPU-175 and 223.

# **Federal Tax Instalments**

## - Federal tax instalments

For the taxation year ended 2009-12-31

The following is a list of federal instalments payable for the current taxation year. The last column indicates the instalments payable to Revenue Canada. The instalments are due no later than on the dates indicated, otherwise non-deductible interest will be charged. A cheque or money order should be made payable to the Receiver General. Payment may be made by cheque or money order payable to the Receiver General either to an authorized financial institution or filed with **the appropriate remittance voucher to the following address**:

#### Canada Revenue Agency 875 Heron Road Ottawa ON K1A 1B1

Note that you may also be able to pay by telephone or Internet banking. For more information, consult the Corporation Instalment Guide.

## Monthly instalment workchart

| Date       | Monthly tax instalments | Instalments<br>paid | Cumulative difference | Instalments<br>payable |
|------------|-------------------------|---------------------|-----------------------|------------------------|
| 2009-01-31 | 429                     |                     |                       | 429                    |
| 2009-02-28 | 429                     |                     |                       | 429                    |
| 2009-03-31 | 429                     |                     |                       | 429                    |
| 2009-04-30 | 429                     |                     |                       | 429                    |
| 2009-05-31 | 429                     |                     |                       | 429                    |
| 2009-06-30 | 429                     |                     |                       | 429                    |
| 2009-07-31 | 429                     |                     |                       | 429                    |
| 2009-08-31 | 429                     |                     |                       | 429                    |
| 2009-09-30 | 429                     |                     |                       | 429                    |
| 2009-10-31 | 429                     |                     |                       | 429                    |
| 2009-11-30 | 429                     |                     |                       | 429                    |
| 2009-12-31 | 423                     |                     |                       | 423                    |
|            |                         |                     |                       |                        |
|            |                         |                     |                       |                        |
|            |                         |                     |                       |                        |
| Tota       | I <u>5,142</u>          |                     |                       | 5,142                  |

## **Quarterly instalment workchart**

| Date                 | Quarterly tax instalments             | Instalments<br>paid            | Cumulative<br>difference     | Instalments<br>payable |
|----------------------|---------------------------------------|--------------------------------|------------------------------|------------------------|
| 2009-03-31           |                                       |                                |                              |                        |
| 2009-06-30           |                                       |                                |                              |                        |
| 2009-09-30           |                                       |                                |                              |                        |
| 2009-12-31           |                                       |                                |                              |                        |
|                      | _                                     |                                |                              |                        |
|                      | _                                     |                                |                              |                        |
|                      | Total                                 |                                |                              |                        |
| ⊢<br>⊢ Instalment me | thod                                  |                                |                              |                        |
|                      | ent method chosen [1-3] 1             |                                |                              |                        |
| 1st Instalment b     |                                       |                                |                              |                        |
|                      |                                       |                                |                              |                        |
|                      | alments other than quarterly instalme |                                | MONTH                        |                        |
| in which you want    | them to begin (1=January, 2=Februa    | ary, etc.).                    |                              | 1                      |
| Select this box if y | you want the instalments to be calcul | ated without taking the applic | cable threshold into account |                        |

| Quarterly instalments calculation                                                                                                                                                 |                                        |                |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|----------------|
| The corporation must meet requirements 1 to 5 to be eligible for quarterly i                                                                                                      | nstalments for a tax year.             |                |
| 1 – Is the corporation a Canadian-controlled private corporation (CCPC)?                                                                                                          | X Yes No                               |                |
| 2 - Did the corporation claim any deduction under the section 125, during                                                                                                         | X Yes No                               |                |
| 3 – Is the corporation's, or any of its associated corporations', taxable inco<br>less than or equal to \$500,000?*                                                               | Yes No                                 |                |
| 4 – Is the corporation and any associated corporations' taxable capital em<br>for the current or previous year less than or equal to \$10,000,000?                                | ployed in Canada                       | Yes No         |
| 5 - Does the corporation have a perfect compliance history in the last 12 r                                                                                                       | months?                                | Yes No         |
| If you do not want to use the quarterly instalments option, select this box to                                                                                                    | go back to monthly instalments.        |                |
| *Consult the Help (F1) for information on the changes relating to years sub                                                                                                       | sequent to 2008.                       |                |
| ┌ 1 – 1st Instalment base method                                                                                                                                                  |                                        |                |
| 1st Instalment base amount (amount N below)                                                                                                                                       | 5,142 ÷ 12 = _                         | 429            |
|                                                                                                                                                                                   | Monthly instalments required           | 429            |
| Quarterly tax instalments required                                                                                                                                                | 5,142 ÷ 4 =                            |                |
| $_{ m \sub}$ 2 – Combined 1st and 2nd instalment base method ————                                                                                                                 |                                        |                |
| Select this box if you want the first 2 payments* to be calculated                                                                                                                |                                        |                |
| without taking the applicable threshold into account?                                                                                                                             |                                        |                |
| 2nd Monthly instalment base amount                                                                                                                                                |                                        |                |
| Indicate: Part I tax                                                                                                                                                              | 20,515                                 |                |
| Part VI, VI.1 and XIII.1 tax                                                                                                                                                      | +                                      |                |
| Federal adjustment for amalgamation, winding up or transfer                                                                                                                       | +                                      |                |
| Provincial tax, other than Alberta, Québec and Ontario                                                                                                                            | +                                      |                |
| Ontario tax**                                                                                                                                                                     | + 8,601                                |                |
| Provincial adjustment for amalgamation, winding up or transfer                                                                                                                    |                                        |                |
|                                                                                                                                                                                   | Total = 20,515 ÷ 12 =                  | 1,710 A        |
| 1/12 of estimated current year credits (M below /12)                                                                                                                              |                                        |                |
|                                                                                                                                                                                   | of the first two instalment payments = | 1,710 <b>B</b> |
| Total tax from N below                                                                                                                                                            | 5,142                                  |                |
| Amount B above x 2                                                                                                                                                                |                                        | 4 7 9          |
|                                                                                                                                                                                   | $=$ <u>1,722</u> $\div$ 10 $=$         |                |
| Each of the                                                                                                                                                                       | remaining ten instalment payments =    | 173            |
| 2nd Quarterly instalment base amount                                                                                                                                              |                                        |                |
| Indicate: Part I tax                                                                                                                                                              | 20,515                                 |                |
| Part VI, VI.1 and XIII.1 tax                                                                                                                                                      | +                                      |                |
| Federal adjustment for amalgamation, winding up or transfer                                                                                                                       | +                                      |                |
| Provincial tax, other than Alberta, Québec and Ontario                                                                                                                            | +                                      |                |
| Ontario tax**                                                                                                                                                                     | + 8,601                                |                |
| Provincial adjustment for amalgamation, winding up or transfer                                                                                                                    |                                        |                |
|                                                                                                                                                                                   | Total = 20,515 ÷ 4 =                   | 5,129 A        |
| 1/4 of estimated current year credits (M below /4)                                                                                                                                | = <u>_</u>                             |                |
|                                                                                                                                                                                   | The first instalment payment =         | В              |
| Total tax from N below                                                                                                                                                            | 5,142                                  |                |
| Amount B above                                                                                                                                                                    |                                        |                |
|                                                                                                                                                                                   | = <u>5,142</u> ÷ 3 = _                 |                |
| Each of the re                                                                                                                                                                    | maining three instalment payments =    |                |
| <ul> <li>* It is the first payment if the quarterly instalments are applicable.</li> <li>** Use this line only to calculate instalments payable with regard to taxatio</li> </ul> | n years ending in 2009 and after.      |                |
| □ 3 – Estimated tax method                                                                                                                                                        |                                        |                |
|                                                                                                                                                                                   | . 40                                   |                |
| Instalment base amount (amount N below)                                                                                                                                           |                                        |                |
|                                                                                                                                                                                   | Monthly instalments required           |                |

\_\_ ÷ 4 = \_

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 1st instalment<br>base method        | Estimated<br>tax method          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|----------------------------------|
| Taxable income                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 46,748                               |                                  |
| Calculation of tax payable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                      |                                  |
| Federal part I tax                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 17,764                               |                                  |
| Pocanture of investment tax credit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 17,701                               | +                                |
| Refundable tax on a CCPC's investment income +                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                      | +                                |
| Subtotal                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 17,764                               | =                                |
| Deduction                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                      |                                  |
| Small business deduction                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 7,947                                |                                  |
| Investment corporation deduction +                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | .,                                   | +                                |
| Federal tax abatement +                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 4,675                                | +                                |
| Manufacturing and processing profits deduction +                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                      |                                  |
| Non-business foreign tax credit +                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                      | +                                |
| Business foreign tax credit +                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                      | +                                |
| Tax reduction, general and accelerated +                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                      | +                                |
| Logging tax credit +                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                      | +                                |
| Investment tax credit per Schedule 31 +                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                      | ·                                |
| Qualifying environmental trust tax credit +                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                      | ·                                |
| , , , , , , , , , , , , , , , , , , ,                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 12 (22                               | <u> </u>                         |
| Subtotal =                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 12,622                               | =                                |
| Federal tax summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                      |                                  |
| Total part I tax payable (A minus B)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 5,142                                |                                  |
| Part VI tax +                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | ,                                    | +                                |
| Part VI.1 tax +                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                      | +                                |
| Part XIII.1 tax +                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                      | +                                |
| Parts I, VI, VI.1 and XIII.1 Total =                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 5,142                                | =                                |
| Adjustment for short taxation years multiplied by 365 and<br>divided by the number of days in the year if less than 365 x<br>Subtotal =                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <u>365 / 365</u><br>5,142            | x <u>365 / 365</u><br>=          |
| Federal adjustment for amalgamation, winding up or transfer +                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                      | + <u>N/A</u>                     |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 5 1/1 /                              | =                                |
| Total federal tax after adjustments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 5,142                                |                                  |
| Total federal tax after adjustments = _                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | J,172                                |                                  |
| Total federal tax after adjustments =                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <u> </u>                             |                                  |
| Total federal tax after adjustments =                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | J,172                                | +                                |
| Total federal tax after adjustments       =         rovincial tax       Provincial/territorial tax, other than Alberta, Québec and Ontario       +         Ontario tax       +         Use this section only to calculate instalments payable with regard to taxation years ending in 2009 and after (for other tax years, see the Ontario Tax Instalments schedule (Jump Code: ION)):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <u>J,172</u>                         | +                                |
| Total federal tax after adjustments       =         rovincial tax       Provincial/territorial tax, other than Alberta, Québec and Ontario       +         Ontario tax       +       +         Use this section only to calculate instalments payable with regard to taxation years ending in 2009 and after (for other tax years, see the Ontario Tax Instalments schedule (Jump Code: ION)):       2,571                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <u> </u>                             | +                                |
| Total federal tax after adjustments         =       -         rovincial tax       Provincial/territorial tax, other than Alberta, Québec and Ontario       +         Ontario tax       +         Use this section only to calculate instalments payable with regard to taxation years ending in 2009 and after (for other tax years, see the Ontario Tax Instalments schedule (Jump Code: ION)):       -         Income tax       2,571         Capital tax       +                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <u> </u>                             | +                                |
| Total federal tax after adjustments         rovincial tax         Provincial/territorial tax, other than Alberta, Québec and Ontario       +         Ontario tax         Use this section only to calculate instalments payable with regard to taxation years ending in 2009 and after (for other tax years, see the Ontario Tax Instalments schedule (Jump Code: ION)):       -         Income tax       2,571         Capital tax       +         Corporate minimum tax paid (credited)       +                                                                                                                                                                                                                                                                                                                                                                                                                                            | <u> </u>                             | +                                |
| Total federal tax after adjustments         rovincial tax         Provincial/territorial tax, other than Alberta, Québec and Ontario       +         Ontario tax         Use this section only to calculate instalments payable with regard to taxation years ending in 2009 and after (for other tax years, see the Ontario Tax Instalments schedule (Jump Code: ION)):       -         Income tax       2,571         Capital tax       +         Corporate minimum tax paid (credited)       +         Special additional tax on life insurance corporations       +                                                                                                                                                                                                                                                                                                                                                                      |                                      | +                                |
| Total federal tax after adjustments         rovincial tax         Provincial/territorial tax, other than Alberta, Québec and Ontario         Provincial/territorial tax, other than Alberta, Québec and Ontario         Ontario tax         Use this section only to calculate instalments payable with regard to taxation years ending in 2009 and after (for other tax years, see the Ontario Tax Instalments schedule (Jump Code: ION)):         Income tax       2,571         Capital tax       +         Corporate minimum tax paid (credited)       +         Special additional tax on life insurance corporations       +         Total Ontario tax*       =                                                                                                                                                                                                                                                                        | <u>2,571</u><br>2,571                | +<br>+<br>=_                     |
| Total federal tax after adjustments         =                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 2,571                                | +<br>+<br>=                      |
| Total federal tax after adjustments         =                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <u>2,571</u><br>2,571                | +                                |
| Total federal tax after adjustments         rovincial tax         Provincial/territorial tax, other than Alberta, Québec and Ontario         +         Ontario tax         Use this section only to calculate instalments payable with regard to taxation years ending in 2009 and after (for other tax years, see the Ontario Tax Instalments schedule (Jump Code: ION)):         Income tax       2,571         Capital tax       +         Corporate minimum tax paid (credited)       +         Special additional tax on life insurance corporations       +         Total Ontario tax*       =         Provincial adjustments       2,571         Harmonized provincial tax (H + I)       Total harmonized provincial tax         Adjustment for short taxation years multiplied by 365 and divided by the number of days in the year if less than 365                                                                                 | <u>2,571</u><br>2,571<br>365 / 365   | +<br>+<br>=<br>× <u>365 /365</u> |
| Total federal tax after adjustments         =                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <u>2,571</u><br>2,571                | +<br>=<br>                       |
| Total federal tax after adjustments         =       =         rovincial tax         Provincial/territorial tax, other than Alberta, Québec and Ontario       +         Ontario tax       +         Use this section only to calculate instalments payable with regard to taxation years ending in 2009 and after (for other tax years, see the Ontario Tax Instalments schedule (Jump Code: ION)):       +         Income tax       2,571         Capital tax       +         Corporate minimum tax paid (credited)       +         Special additional tax on life insurance corporations       +         Marmonized provincial tax (H + I)       Total harmonized provincial tax         Provincial adjustments       Adjustment for short taxation years multiplied by 365 and divided by the number of days in the year if less than 365         X       =         Provincial adjustment for amalgamation, winding up or transfer       * | 2,571<br>2,571<br>365 / 365<br>2,571 | +                                |
| Total federal tax after adjustments         rovincial tax         Provincial/territorial tax, other than Alberta, Québec and Ontario       +         Ontario tax         Use this section only to calculate instalments payable with regard to taxation years ending in 2009 and after (for other tax years, see the Ontario Tax Instalments schedule (Jump Code: ION)):       +         Income tax       2,571         Capital tax       +         Corporate minimum tax paid (credited)       +         Special additional tax on life insurance corporations       +         Total Ontario tax*       =         Provincial adjustments       2,571         Adjustment for short taxation years multiplied by 365 and divided by the number of days in the year if less than 365       ×                                                                                                                                                   | <u>2,571</u><br>2,571<br>365 / 365   | +<br>=<br>                       |

| │ Instalment base calculation (continued)       |       |     |   |
|-------------------------------------------------|-------|-----|---|
| Estimated current year credits                  |       |     |   |
| Investment tax credit refund                    |       |     |   |
| Dividend refund                                 | +     | +   |   |
| Federal capital gains refund                    | +     | +   |   |
| Provincial and territorial capital gains refund | +     | +   |   |
| NRO allowable refund per Schedule 26            | +     | +   |   |
| Tax withheld at source                          | +     | +   |   |
| Other estimated credits                         | +     | +   |   |
| Total estimated current year credits            | =     | = N | Λ |
| Instalment base amount (L – M)                  | 5,142 | N   | I |

\* Ontario tax corresponds to the amount before the application of specified Ontario tax credits.

\*\* For instalments payable the amount on line G is not added to line L unless it exceeds \$3,000. The same rule applies to line K.

200

| Canada Revenue Agence<br>Agency du Ca                                                                             | ce du revenu<br>anada                               | T2 CORPORATION                                                         | I INCOME TAX RETU                                                | RN                        | 200                  |
|-------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------|---------------------------|----------------------|
| This form serves as a federal, pro<br>located in Ontario (for tax years er<br>these provinces, you have to file a | nding before 2009), Qu                              | uebec, or Alberta. If the corpor                                       |                                                                  | 055                       | Do not use this area |
| Parts, sections, subsections, para<br>This return may contain changes                                             |                                                     |                                                                        | n refer to the federal Income                                    | Tax Act.                  |                      |
| Send one completed copy of this tax centre or tax services office. Y                                              | return, including scheo<br>ou have to file the retu | dules and the <i>General Index of</i> rn within six months after the e | Financial Information (GIFI),<br>and of the corporation's tax ye | to your<br>ar.            |                      |
| For more information see www.cr                                                                                   | a.gc.ca or Guide T40                                | 12, T2 Corporation – Income                                            | Fax Guide.                                                       |                           |                      |
| ☐ Identification ———                                                                                              |                                                     |                                                                        |                                                                  |                           |                      |
| Business Number (BN)                                                                                              |                                                     | 6595 5397 RC0001                                                       |                                                                  |                           |                      |
| Corporation's name                                                                                                |                                                     |                                                                        | To which tax year does<br>Tax year start                         | this return apply?        | Tax year-end         |
| 002 HYDRO 2000 INC.                                                                                               |                                                     |                                                                        | <b>060</b> 2008-01-01                                            | 061                       | 2008-12-31           |
| Address of head office<br>Has this address changed since                                                          | the last                                            |                                                                        | YYYY MM DD                                                       |                           | YYYY MM DD           |
| time you filed your T2 return? .                                                                                  |                                                     | 1 Yes 2 No X                                                           | Has there been an acquis                                         |                           |                      |
| (If yes, complete lines 011 to 018                                                                                | ,                                                   |                                                                        | to which subsection 249(4<br>the previous tax year?              |                           | 1 Yes 2 No X         |
| 011 265, RUE ST-PHILIPP                                                                                           | PE                                                  |                                                                        |                                                                  |                           |                      |
| 012                                                                                                               |                                                     |                                                                        | If <b>yes</b> , provide the date control was acquired            |                           |                      |
| City                                                                                                              |                                                     | ovince, territory, or state                                            |                                                                  |                           | YYYY MM DD           |
| 015 ALFRED<br>Country (other than Canad                                                                           |                                                     | DN<br>stal code/Zip code                                               | Is the date on line 061 a                                        |                           |                      |
| 017                                                                                                               |                                                     | (0B 1A0                                                                | tax year-end in accorda subsection 249(3.1)?                     | nce with                  | 1 Yes 2 No X         |
| Mailing address (if different from                                                                                |                                                     |                                                                        |                                                                  |                           |                      |
| Has this address changed since                                                                                    | the last                                            |                                                                        | Is the corporation a pro<br>corporation that is a me             |                           |                      |
|                                                                                                                   |                                                     | 1 Yes 2 No X                                                           | a partnership?                                                   |                           | 1 Yes 2 No X         |
| (If yes, complete lines 021 to 028<br>021 c/o                                                                     | 3.)                                                 |                                                                        | Is this the first year of fi                                     | iling after:              |                      |
| 021 c/o                                                                                                           |                                                     |                                                                        | Incorporation?                                                   | -                         | 1 Yes 2 No X         |
| 022                                                                                                               |                                                     |                                                                        | Amalgamation?                                                    | 071                       | 1 Yes 2 No X         |
| City                                                                                                              | Pro                                                 | ovince, territory, or state                                            | If yes, complete lines 030                                       | to 038 and attach Schedu  | ıle 24.              |
| 025                                                                                                               | 026                                                 |                                                                        | Has there been a wind-u                                          |                           |                      |
| Country (other than Canad                                                                                         | a) Po                                               | stal code/Zip code                                                     | subsidiary under sectio<br>current tax year?                     | n 88 during the           | 1 Yes 2 No X         |
| 027                                                                                                               | 028                                                 |                                                                        | If yes, complete and attac                                       |                           |                      |
| Location of books and records                                                                                     |                                                     |                                                                        | Is this the final tax year                                       |                           |                      |
| Has the location of books and rec<br>changed since the last time you f                                            |                                                     |                                                                        | before amalgamation?                                             | 076                       | 1 Yes 2 No X         |
| your T2 return?                                                                                                   |                                                     | 1 Yes 2 No X                                                           | Is this the final return u                                       | p to                      |                      |
| (If yes, complete lines 031 to 038                                                                                |                                                     |                                                                        | dissolution?                                                     |                           | 1 Yes 2 No X         |
| 031                                                                                                               |                                                     |                                                                        | If an election was made                                          |                           |                      |
| 032 265, RUE ST-PHILIPF                                                                                           |                                                     |                                                                        | <pre>_ section 261, state the fu _ currency used</pre>           | 070                       |                      |
|                                                                                                                   |                                                     | ovince,territory, or state                                             | -                                                                |                           |                      |
| 035 ALFRED<br>Country (other than Canad                                                                           |                                                     | ON<br>stal code/Zip code                                               | Is the corporation a res                                         |                           | of residence on line |
| 037                                                                                                               | · ·                                                 | (0B 1A0                                                                | 080 1 Yes X 2 No                                                 | 081 and complete and      |                      |
|                                                                                                                   |                                                     |                                                                        | 081                                                              |                           |                      |
| 040 Type of corporation at th                                                                                     | ne end of the tax yea                               |                                                                        | Is the non-resident corp                                         | ooration                  |                      |
| 1 X Canadian-controlled<br>private corporation (CC                                                                | CPC) 4                                              | Corporation controlled by a public corporation                         | claiming an exemption                                            | under                     | 1 Yes 2 No X         |
|                                                                                                                   | ·                                                   | Other corporation                                                      | an income tax treaty?<br>If yes, complete and attac              |                           |                      |
| 2 corporation                                                                                                     | 5                                                   | (specify, below)                                                       |                                                                  | mpt from tax under sect   | tion 149,            |
| 3 Public                                                                                                          |                                                     |                                                                        | tick one of the following                                        | j boxes:                  | ·                    |
|                                                                                                                   | during                                              |                                                                        |                                                                  | under paragraph 149(1)(e  |                      |
| If the type of corporation changed<br>the tax year, provide the effective                                         | -                                                   |                                                                        |                                                                  | under paragraph 149(1)(j) |                      |
| date of the change.                                                                                               | 043                                                 |                                                                        |                                                                  | under paragraph 149(1)(t) |                      |
|                                                                                                                   |                                                     | YYYY MM DD                                                             |                                                                  | under other paragraphs of | section 149          |
| 004                                                                                                               | [                                                   | Do not use                                                             |                                                                  | 05                        | 000                  |
| 091 092                                                                                                           |                                                     | 093                                                                    | 094 09                                                           | 95                        | 096                  |
| 100                                                                                                               |                                                     |                                                                        |                                                                  |                           |                      |

Canadä

| 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | X     |         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |       | Schedul |
| · · · · · · · · · · · · · · · · · · ·                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 50    | 9       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 60    | 23      |
| 5 · · · · · · · · · · · · · · · · · · ·                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 61    | 49      |
| Does the corporation have any non-resident shareholders?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 151   | 19      |
| Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 62    | ] 11    |
| ······································                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 63    | 44      |
| Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 64    | 14      |
| Is the corporation claiming a deduction for payments to a type of employee benefit plan?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 65    | 15      |
| Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 66    | T5004   |
| Is the corporation a member of a partnership for which a partnership identification number has been assigned?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 67    | T5013   |
| Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 68    | 22      |
| 5 I                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 69    | 25      |
| Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |       | , 20    |
| of the federal Income Tax Regulations?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 70    | 29      |
| Has the corporation had any non-arm's length transactions with a non-resident?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 71    | T106    |
| For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 73 X  | 50      |
| Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 72    |         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 201 X | 1       |
| Has the corporation made any charitable donations: gifts to Canada, a province, or a territory:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 202   | 2       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 203   | 3       |
| ······································                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 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       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 206   | 6       |
| i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than<br>dividends deductible on line 320 of the T2 return), b) a partnership, c) a foreign business, or d) a personal                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 207   | 7       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 208 X | 8       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |       |         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 212   | 10      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 213   | 12      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |       | 13      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 216   | 16      |
| Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |       | 17      |
| Is the corporation an investment corporation or a mutual fund corporation?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |       | 18      |
| Is 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      |
| 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 total taxable capital employed in Canada of the corporation and its related corporations over \$10,000,000?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 233   |         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 234   |         |
| Is the corporation claiming a surtax credit?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |       | 37      |
| Is the corporation subject to gross Part VI tax on capital of financial institutions?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 238   | 38      |
| s the corporation claiming a Part I tax credit?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 242   | 42      |
| is the componation subject to Dart IV/1 tay on dividende received on tayable preferred charge or Dart V/1 tay on dividende received on tayable preferred charge or Dart V/1 tay on dividende received on tayable preferred charge or Dart V/1 tay on dividende received on tayable preferred charge or Dart V/1 tay on dividende received on tayable preferred charge or Dart V/1 tay on dividende received on tayable preferred charge or Dart V/1 tay on dividende received on tayable preferred charge or Dart V/1 tay on dividende received on tayable preferred charge or Dart V/1 tay on dividende received on tayable preferred charge or Dart V/1 tay on dividende received on tayable preferred charge or Dart V/1 tay on dividende received on tayable preferred charge or Dart V/1 tay on dividende received on tayable preferred charge or Dart V/1 tay on dividende received on tayable preferred charge or Dart V/1 tay on dividende received on tayable preferred charge or Dart V/1 tayable | 243   | 1       |
| 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      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |       | 45      |
| Is the corporation subject to Part II - Tobacco Manufacturers' surtax?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 48    | 46      |
| For financial institutions: Is the corporation a member of a related group of financial institutions with one or<br>more members subject to gross Part VI tax?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 250   | 39      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 253   | 1       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 254   | T1131   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |       | T1177   |
| s the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 255   | 92      |

| Attachments – continued from page 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | edule                                                                                                             |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|
| Did the corporation have any controlled foreign affiliates?258T11Did the corporation own specified foreign property in the year with a cost amount over \$100,000?259T1Did the corporation transfer or loan property to a non-resident trust?260T1Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?261T1Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?262T1Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?263T1Has the corporation pay taxable dividends (other than capital gains dividends) in the tax year?265264T1Did the corporation revoked any previous election made under subsection 89(11) not to be a CCPC?266T272Has the corporation (CCPC or deposit insurance corporation (DIC)) pay eligible dividends, or did its<br>general rate income pool (GRIP) change in the tax year?268268268268 | 34-A       34-B       135       141       142       145       146       174       55       2002       53       54 |
| ☐ Additional information —                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                   |
| Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?       270       1 Yes       2 No         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       282                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 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       DISTRIBUTION D'ÉLECT       285       100.000         286       286       286       286       287       289       289                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | _%<br>_%<br>_%                                                                                                    |
| Did the corporation immigrate to Canada during the tax year?       291       1 Yes       2 No         Did the corporation emigrate from Canada during the tax year?       292       1 Yes       2 No         Do you want to be considered as a quarterly instalment remitter if you are eligible?       293       1 Yes       2 No         If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide       294       294         YYYY       MM       DD                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | X                                                                                                                 |
| If the corporation's major business activity is construction, did you have any subcontractors during the tax year? 295 1 Yes 2 No                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                   |
| Taxable income                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                   |
| Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <u>8</u> A                                                                                                        |
| Deduct:       Charitable donations from Schedule 2       311         Gifts to Canada, a province, or a territory from Schedule 2       313         Cultural gifts from Schedule 2       313         Ecological gifts from Schedule 2       314         Gifts of medicine from Schedule 2       314         Taxable dividends deductible under section 112 or 113, or subsection 138(6)       320         from Schedule 3       320         Part VI.1 tax deduction*       325         Non-capital losses of previous tax years from Schedule 4       331         Net capital losses of previous tax years from Schedule 4       333         Farm losses of previous tax years from Schedule 4       334         Limited partnership losses of previous tax years from Schedule 4       334         Taxable capital gians 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")         46,74           Add:         Section 110.5 additions or subparagraph 115(1)(a)(vii) additions         355         355           Taxable income (amount C plus amount D)         360         46,74           Income exempt under paragraph 149(1)(t)         370         370                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | D                                                                                                                 |
| Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 8 z                                                                                                               |
| * This amount is equal to 3 times the Part VI.1 tax payable at line 724.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                   |

| - Small business                                 | deduction                                                                                                                                                                     |                  |                             |                                       |                 |
|--------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-----------------------------|---------------------------------------|-----------------|
|                                                  | private corporations (CCPCs) throughout th                                                                                                                                    | he tax year      |                             |                                       |                 |
| Income from active bus                           | siness carried on in Canada from Schedule 7                                                                                                                                   |                  |                             | 400                                   | 46,748 A        |
|                                                  | ne 360, <b>minus</b> 10/3 of the amount on line 632*,<br>ne 636***, and <b>minus</b> any amount that, because                                                                 |                  | ,                           | 405                                   | <u>46,748</u> в |
| Calculation of the bu                            | isiness limit:                                                                                                                                                                |                  |                             |                                       |                 |
| For all CCPCs, calcula                           | ate the amount at line 4 below.                                                                                                                                               |                  |                             |                                       |                 |
| 400,000 ×                                        | Number of days in the tax year before 200                                                                                                                                     | 9                | 366 =                       | 400,000 1                             |                 |
|                                                  | Number of days in the tax year                                                                                                                                                |                  | 366                         |                                       |                 |
| 500,000 ×                                        | Number of days in the tax year after 2008                                                                                                                                     | 3                | =                           | 2                                     |                 |
|                                                  | Number of days in the tax year                                                                                                                                                |                  | 366                         |                                       |                 |
|                                                  |                                                                                                                                                                               | Add amou         | nts at lines 1 and 2        | 400,000 4                             |                 |
| divided b<br>2. For asso<br>Business limit reduc | is less than 51 weeks, prorate the amount from I<br>y 365, and enter the result on line 410.<br>ciated CCPCs, use Schedule 23 to calculate the<br>tion:<br>400,000 × 415 **** | e amount to be   | e entered on line 410.      | ear                                   | _               |
| Amount C                                         |                                                                                                                                                                               | 1<br>250         | <u> </u>                    | · · · · · · · · · · · · · · · · · · · | E               |
| Reduced business limit                           | it (amount C <b>minus</b> amount E) (if negative, ente                                                                                                                        |                  |                             |                                       | 400,000 F       |
| Small business dedu                              | iction                                                                                                                                                                        |                  |                             |                                       |                 |
| Amount A, B, C, or F v                           | vhichever is the least 46,74                                                                                                                                                  | <u>8</u> × 1     | 7 % =                       |                                       | <u>7,947</u> G  |
| Enter amount G on line                           | e 1.                                                                                                                                                                          |                  |                             |                                       |                 |
| CCPC's investme                                  | ount of foreign non-business income tax credit d<br>ent income (line 604) and without reference to th<br>iction percentage for the tax year. This has to be                   | e corporate ta   |                             |                                       |                 |
| *** Calculate the amo                            | ount of foreign business income tax credit deduc                                                                                                                              | ctible on line 6 | 36 without reference to the | e corporate tax reductions under      | section 123.4.  |
| **** Large corporation                           |                                                                                                                                                                               |                  |                             |                                       |                 |
|                                                  | tion is not associated with any corporations in bo                                                                                                                            |                  |                             | s, the amount to be entered at line   | e 415 is:       |

If the corporation is not associated with any corporations in the current tax year, but was associated in the previous tax year, the amount to be entered at line 415 is: (Total taxable capital employed in Canada for the current year minus \$10,000,000) x 0.225%

• For corporations associated in the current tax year, see Schedule 23 for the special rules that apply.

| Canadian-controlled private                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                      |                                | 46,748             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|--------------------------------|--------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                         | ne Z1) from Part 9 of Schedule 27                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                      |                                | 10,710             |
| mount QQ from Part 13 of So                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                      | C                              |                    |
|                                                                                                                                                                                                                                                                                                                                                                                                         | credit union deduction from Schedule 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                      | D                              |                    |
|                                                                                                                                                                                                                                                                                                                                                                                                         | 0, or 425, whichever is the least                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                      | E                              |                    |
|                                                                                                                                                                                                                                                                                                                                                                                                         | from line 440*                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                      | F                              |                    |
|                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 46 740                                                               | ▶                              | 46,748             |
| mount A <b>minus</b> amount G (if                                                                                                                                                                                                                                                                                                                                                                       | f negative, enter "0")                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                      |                                |                    |
| mount H                                                                                                                                                                                                                                                                                                                                                                                                 | Number of days in the tax year after<br>X December 31, 2007, and before January 1, 2009                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 366 ×                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 8.5 %                                                                | =                              |                    |
|                                                                                                                                                                                                                                                                                                                                                                                                         | Number of days in the tax year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 366                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 0.0 /0                                                               |                                |                    |
| mount H                                                                                                                                                                                                                                                                                                                                                                                                 | Number of days in the tax year after<br>X December 31, 2008, and before January 1, 2010                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | x                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 9 %                                                                  | =                              |                    |
|                                                                                                                                                                                                                                                                                                                                                                                                         | Number of days in the tax year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 366                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                      |                                |                    |
| mount H                                                                                                                                                                                                                                                                                                                                                                                                 | Number of days in the tax year after<br>X December 31, 2009, and before January 1, 2011                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | x                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 10 %                                                                 | =                              |                    |
|                                                                                                                                                                                                                                                                                                                                                                                                         | Number of days in the tax year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 366                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                      |                                |                    |
| mount H                                                                                                                                                                                                                                                                                                                                                                                                 | Number of days in the tax year after           X         December 31, 2010, and before January 1, 2012           Number of days in the tax year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | ×                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 11.5 %                                                               | =                              |                    |
|                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 17.0/                                                                |                                |                    |
| mount H                                                                                                                                                                                                                                                                                                                                                                                                 | X Number of days in the tax year after 2011                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Х                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 13 %                                                                 | =                              |                    |
| eneral tax reduction for Ca                                                                                                                                                                                                                                                                                                                                                                             | Number of days in the tax year<br>anadian-controlled private corporations – Total of amounts I to L.1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                      | · · · · <u> </u>               |                    |
| General tax reduction for Ca<br>Enter amount M on line 638.<br>Except for a corporation that                                                                                                                                                                                                                                                                                                            | Number of days in the tax year<br>anadian-controlled private corporations – Total of amounts I to L.1<br>is, throughout the year, a cooperative corporation (within the meaning assign                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 366                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                      |                                |                    |
| General tax reduction for Ca<br>inter amount M on line 638.<br>Except for a corporation that<br>General tax reduction<br>to not complete this area if<br>inutual fund corporation, or<br>axable income from page 3 (I                                                                                                                                                                                   | Number of days in the tax year         anadian-controlled private corporations – Total of amounts I to L.1         is, throughout the year, a cooperative corporation (within the meaning assign         n         you are a Canadian-controlled private corporation, an investment controlled private income that is not subject to the corporation         in 360 or amount Z, whichever applies)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | rporation, a m                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | on 136(2)) or<br>ortgage inve<br>of 38%.                             | estment co                     | ion.               |
| General tax reduction for Ca<br>inter amount M on line 638.<br>Except for a corporation that<br>General tax reduction<br>to not complete this area if<br>nutual fund corporation, or<br>axable income from page 3 (I<br>esser of amounts V and Y (Iir                                                                                                                                                   | Number of days in the tax year         anadian-controlled private corporations – Total of amounts I to L.1         is, throughout the year, a cooperative corporation (within the meaning assign         n         you are a Canadian-controlled private corporation, an investment controlled private corporation with taxable income that is not subject to the corporation         line 360 or amount Z, whichever applies)         ne Z1) from Part 9 of Schedule 27                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | rporation, a mation tax rate                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | on 136(2)) or<br>ortgage inve<br>of 38%.                             | estment co                     | ion.<br>rporation, |
| eneral tax reduction for Canter amount M on line 638.<br>Except for a corporation that<br>General tax reduction<br>o not complete this area if<br>butual fund corporation, or<br>axable income from page 3 (lesser of amounts V and Y (lin<br>mount QQ from Part 13 of So                                                                                                                               | Number of days in the tax year         anadian-controlled private corporations – Total of amounts I to L.1         is, throughout the year, a cooperative corporation (within the meaning assign         n         you are a Canadian-controlled private corporation, an investment correction with taxable income that is not subject to the corporation         ine 360 or amount Z, whichever applies)         ne Z1) from Part 9 of Schedule 27         chedule 27                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | rporation, a mation tax rate                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | on 136(2)) or<br>ortgage inve<br>of 38%.                             | estment co                     | ion.<br>rporation, |
| eneral tax reduction for Ca<br>nter amount M on line 638.<br>Except for a corporation that<br>General tax reduction<br>o not complete this area if<br>nutual fund corporation, or<br>axable income from page 3 (I<br>esser of amounts V and Y (Iir<br>mount QQ from Part 13 of So<br>mount used to calculate the c                                                                                      | Number of days in the tax year         anadian-controlled private corporations – Total of amounts I to L.1         is, throughout the year, a cooperative corporation (within the meaning assign         n         'you are a Canadian-controlled private corporation, an investment control any corporation with taxable income that is not subject to the corporation         ine 360 or amount Z, whichever applies)         ine Z1) from Part 9 of Schedule 27         chedule 27         credit union deduction from Schedule 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | rporation, a m<br>ation tax rate                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | on 136(2)) or<br>ortgage inve<br>of 38%.                             | estment co                     | rporation,         |
| Except for a corporation for Ca<br>magnetic for a corporation that<br>Except for a corporation that<br>General tax reduction<br>to not complete this area if<br>initial fund corporation, or<br>axable income from page 3 (I<br>esser of amounts V and Y (Iir<br>mount QQ from Part 13 of Se<br>mount used to calculate the co<br>otal of amounts O to Q                                                | Number of days in the tax year         anadian-controlled private corporations – Total of amounts I to L.1         is, throughout the year, a cooperative corporation (within the meaning assign         n         you are a Canadian-controlled private corporation, an investment controlled private corporation and investment controlled private corporation and subject to the corportion         ine 360 or amount Z, whichever applies)         ne Z1) from Part 9 of Schedule 27         chedule 27         credit union deduction from Schedule 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 366         ned by subsection         rporation, a mation tax rate         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         . | on 136(2)) or<br>ortgage invo<br>of 38%.                             | • a credit un estment co 0 P Q | ion.<br>rporation, |
| eneral tax reduction for Canter amount M on line 638.<br>Except for a corporation that<br>General tax reduction<br>o not complete this area if<br>utual fund corporation, or<br>axable income from page 3 (I<br>esser of amounts V and Y (Iir<br>mount QQ from Part 13 of Se<br>mount used to calculate the o<br>otal of amounts O to Q<br>mount N minus amount R (if                                   | Number of days in the tax year         anadian-controlled private corporations – Total of amounts I to L.1         is, throughout the year, a cooperative corporation (within the meaning assign         n         'you are a Canadian-controlled private corporation, an investment control any corporation with taxable income that is not subject to the corporation         ine 360 or amount Z, whichever applies)         ine Z1) from Part 9 of Schedule 27         chedule 27         credit union deduction from Schedule 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 366         ned by subsection         rporation, a mation tax rate         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         . | on 136(2)) or<br>ortgage invo<br>of 38%.                             | • a credit un estment co 0 P Q | rporation,         |
| eneral tax reduction for Canter amount M on line 638.<br>Except for a corporation that<br>General tax reduction<br>o not complete this area if<br>nutual fund corporation, or<br>axable income from page 3 (I<br>esser of amounts V and Y (Iir<br>mount QQ from Part 13 of Se<br>mount used to calculate the o<br>otal of amounts O to Q<br>mount N minus amount R (if                                  | Number of days in the tax year         anadian-controlled private corporations – Total of amounts I to L.1         is, throughout the year, a cooperative corporation (within the meaning assign         n         'you are a Canadian-controlled private corporation, an investment cor         any corporation with taxable income that is not subject to the corpor         line 360 or amount Z, whichever applies)         ne Z1) from Part 9 of Schedule 27         chedule 27         chedule 27         chedule 27         chedule 27         Number of days in the tax year after                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 366                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | on 136(2)) or<br>ortgage inve<br>of 38%.                             | • a credit un estment co 0 P Q | rporation,         |
| eneral tax reduction for Ca<br>nter amount M on line 638.<br>Except for a corporation that<br>General tax reduction<br>o not complete this area if<br>nutual fund corporation, or<br>axable income from page 3 (I<br>esser of amounts V and Y (Iir<br>mount QQ from Part 13 of So<br>mount used to calculate the co<br>otal of amounts O to Q<br>mount N minus amount R (if<br>mount S                  | Number of days in the tax year         anadian-controlled private corporations – Total of amounts I to L.1         is, throughout the year, a cooperative corporation (within the meaning assign         n         'you are a Canadian-controlled private corporation, an investment cor         any corporation with taxable income that is not subject to the corpor         line 360 or amount Z, whichever applies)         ne Z1) from Part 9 of Schedule 27         chedule 27         credit union deduction from Schedule 17         f negative, enter "0")         Number of days in the tax year after         x       December 31, 2007, and before January 1, 2009                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 366<br>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | on 136(2)) or<br>ortgage inve<br>of 38%.                             | • a credit un estment co 0 P Q | ion. rporation,    |
| eneral tax reduction for Canter amount M on line 638.<br>Except for a corporation that<br>General tax reduction<br>o not complete this area if<br>utual fund corporation, or<br>exable income from page 3 (lesser of amounts V and Y (line<br>mount QQ from Part 13 of Semount used to calculate the context of amounts O to Q<br>mount N minus amount R (if<br>mount S                                 | Number of days in the tax year         anadian-controlled private corporations – Total of amounts I to L.1         is, throughout the year, a cooperative corporation (within the meaning assign         n         you are a Canadian-controlled private corporation, an investment cor         any corporation with taxable income that is not subject to the corpor         line 360 or amount Z, whichever applies)         ne Z1) from Part 9 of Schedule 27         chedule 27         chedule 27         f negative, enter "0")         Number of days in the tax year after         x       December 31, 2007, and before January 1, 2009         Number of days in the tax year         Number of days in the tax year after                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 366         ned by subsection         rporation, a mation tax rate         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         . | on 136(2)) or<br>ortgage invo<br>of 38%.                             | • a credit un estment co 0 P Q | ion.<br>rporation, |
| eneral tax reduction for Canter amount M on line 638.<br>Except for a corporation that<br>General tax reduction<br>o not complete this area if<br>utual fund corporation, or<br>axable income from page 3 (I<br>esser of amounts V and Y (Iir<br>mount QQ from Part 13 of So<br>mount used to calculate the co<br>otal of amounts O to Q<br>mount N minus amount R (if<br>mount S                       | Number of days in the tax year         anadian-controlled private corporations – Total of amounts I to L.1         is, throughout the year, a cooperative corporation (within the meaning assign         n         you are a Canadian-controlled private corporation, an investment corporation with taxable income that is not subject to the corporation         ine 360 or amount Z, whichever applies)         ine Z1) from Part 9 of Schedule 27         chedule 27         credit union deduction from Schedule 17         Mumber of days in the tax year after         X       December 31, 2007, and before January 1, 2009         Number of days in the tax year after         X       December 31, 2008, and before January 1, 2010         Number of days in the tax year         Number of days in the | 366         ned by subsection         rporation, a mation tax rate         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         . | on 136(2)) or<br>ortgage invo<br>of 38%.                             | a credit un estment co 0 P Q   | ion. rporation,    |
| eneral tax reduction for Canter amount M on line 638.<br>Except for a corporation that<br>General tax reduction<br>o not complete this area if<br>nutual fund corporation, or<br>axable income from page 3 (lesser of amounts V and Y (lin<br>mount QQ from Part 13 of Se<br>mount used to calculate the co<br>otal of amounts O to Q                                                                   | Number of days in the tax year         anadian-controlled private corporations – Total of amounts I to L.1         is, throughout the year, a cooperative corporation (within the meaning assign         n         You are a Canadian-controlled private corporation, an investment corporation with taxable income that is not subject to the corporation         ine 360 or amount Z, whichever applies)         ine Z1) from Part 9 of Schedule 27         chedule 27         credit union deduction from Schedule 17         Mumber of days in the tax year after         Volumber of days in the tax year after         Number of days in the tax year after         X       December 31, 2007, and before January 1, 2009         Number of days in the tax year after         X       December 31, 2008, and before January 1, 2010         Number of days in the tax year         Number of days in the tax year                                                                                                                                                                                                                                                                                                                                                                                                                       | 366         ned by subsection         rporation, a mation tax rate         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         .         . | on 136(2)) or<br>ortgage inve<br>of 38%.                             | a credit un estment co 0 P Q   | ion. rporation,    |
| eneral tax reduction for Canter amount M on line 638.<br>Except for a corporation that<br>General tax reduction<br>o not complete this area if<br>utual fund corporation, or<br>axable income from page 3 (I<br>esser of amounts V and Y (Iir<br>mount QQ from Part 13 of So<br>mount used to calculate the of<br>otal of amounts O to Q<br>mount N minus amount R (if<br>mount S<br>mount S<br>mount S | Number of days in the tax year         anadian-controlled private corporations – Total of amounts I to L.1         is, throughout the year, a cooperative corporation (within the meaning assign         n         you are a Canadian-controlled private corporation, an investment corporation with taxable income that is not subject to the corporation any corporation with taxable income that is not subject to the corporation         ine 360 or amount Z, whichever applies)         ine 21) from Part 9 of Schedule 27         chedule 27         chedule 27         chedule 27         chedule 27         chedule 17         Number of days in the tax year after         Vecember 31, 2007, and before January 1, 2009         Number of days in the tax year         Number of days in the tax         | 366                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | on 136(2)) or<br>ortgage inve<br>of 38%.                             | a credit un                    | ion. rporation,    |
| eneral tax reduction for Canter amount M on line 638.<br>Except for a corporation that<br>General tax reduction<br>o not complete this area if<br>nutual fund corporation, or<br>axable income from page 3 (I<br>esser of amounts V and Y (Iir<br>mount QQ from Part 13 of So<br>mount used to calculate the co<br>otal of amounts O to Q<br>mount N minus amount R (if<br>mount S<br>mount S           | Number of days in the tax year         anadian-controlled private corporations – Total of amounts I to L.1         is, throughout the year, a cooperative corporation (within the meaning assign         n         you are a Canadian-controlled private corporation, an investment corporation with taxable income that is not subject to the corporation any corporation with taxable income that is not subject to the corporation         ine 360 or amount Z, whichever applies)         ine 21) from Part 9 of Schedule 27         chedule 27         chedule 27         credit union deduction from Schedule 17         f negative, enter "0")         Number of days in the tax year after         X       December 31, 2007, and before January 1, 2009         Number of days in the tax year after         X       December 31, 2008, and before January 1, 2010         Number of days in the tax year         Number of days in the tax year after         X       December 31, 2008, and before January 1, 2010         Number of days in the tax year         Number of days in the tax year after         X       December 31, 2009, and before January 1, 2011         Number of days in the tax year         Number of days in the tax year         Number of days in the tax year                                           | 366                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | on 136(2)) or<br>ortgage invo<br>of 38%.<br><br>8.5 %<br>9 %<br>10 % | a credit un                    | rporation,         |

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| ┌ Refundable portion of Part I tax ────                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                             |                                       |         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|---------------------------------------|---------|
| Canadian-controlled private corporations throughout the tax year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                             |                                       |         |
| Aggregate investment income                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | _ × 26 2 / 3 % =                            |                                       | A       |
| Foreign non-business income tax credit from line 632                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | · · · · · · · · · · · · · · · · · · ·       |                                       |         |
| Deduct:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                             |                                       |         |
| Foreign investment income                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | _ x 9 1 / 3 % =<br>(if negative, enter "0") | <u> </u>                              | В       |
| Amount A minus amount B (if negative, enter "0")                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                             | · · · · · · · · · · · · · · · · · · · | C       |
| Taxable income from line 360                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                             | 46,748                                |         |
| Deduct:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                             |                                       |         |
| Amount from line 400, 405, 410, or 425, whichever is the least                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 46,748                                      |                                       |         |
| Foreign non-business<br>income tax credit<br>from line 632 x 25 / 9 =                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                             |                                       |         |
| Foreign business<br>income tax credit 1(.38 - X*)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                             |                                       |         |
| from line 636 x 3 =                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 46,748                                      | 46,748                                |         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | _                                           |                                       |         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                             | × 26 2 / 3 % =                        | D       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                             |                                       |         |
| Part I tax payable minus investment tax credit refund (line 700 minus line 780                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | ))                                          | · · · · · · · · · · · · · · · · · · · | 5,142 E |
| Part I tax payable minus investment tax credit refund (line 700 minus line 780<br>Refundable portion of Part I tax – Amount C, D, or E, whichever is the leas                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                             |                                       |         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | it                                          |                                       |         |
| Refundable portion of Part I tax – Amount C, D, or E, whichever is the leas                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | st                                          |                                       |         |
| Refundable portion of Part I tax – Amount C, D, or E, whichever is the leas<br>* General rate reduction percentage for the tax year. This has to be pro-rated.<br>Refundable dividend tax on hand                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | st                                          |                                       |         |
| <b>Refundable portion of Part I tax</b> – Amount C, D, or E, whichever is the leas<br>* General rate reduction percentage for the tax year. This has to be pro-rated.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                             |                                       |         |
| Refundable portion of Part I tax – Amount C, D, or E, whichever is the least         * General rate reduction percentage for the tax year. This has to be pro-rated.         Refundable dividend tax on hand         Refundable dividend tax on hand at the end of the previous tax year         Deduct: Dividend refund for the previous tax year                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                             |                                       |         |
| Refundable portion of Part I tax – Amount C, D, or E, whichever is the leas         * General rate reduction percentage for the tax year. This has to be pro-rated.         Refundable dividend tax on hand         Refundable dividend tax on hand at the end of the previous tax year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 460<br>                                     | <b>4</b> 50                           | F       |
| Refundable portion of Part I tax – Amount C, D, or E, whichever is the least         * General rate reduction percentage for the tax year. This has to be pro-rated.         Refundable dividend tax on hand         Refundable dividend tax on hand at the end of the previous tax year         Deduct: Dividend refund for the previous tax year         Add the total of:         Refundable portion of Part I tax from line 450 above         Total Part IV tax payable from Schedule 3                                                                                                                                                                                                                                                                                                                                     |                                             | <b>4</b> 50                           | F       |
| Refundable portion of Part I tax – Amount C, D, or E, whichever is the least         * General rate reduction percentage for the tax year. This has to be pro-rated.         Refundable dividend tax on hand         Refundable dividend tax on hand at the end of the previous tax year         Deduct: Dividend refund for the previous tax year         Add the total of:         Refundable portion of Part I tax from line 450 above         Total Part IV tax payable from Schedule 3         Net refundable dividend tax on hand transferred from a predecessor corporation                                                                                                                                                                                                                                              | 460<br>                                     | <b>4</b> 50                           | F       |
| Refundable portion of Part I tax – Amount C, D, or E, whichever is the least         * General rate reduction percentage for the tax year. This has to be pro-rated.         Refundable dividend tax on hand         Refundable dividend tax on hand at the end of the previous tax year         Deduct: Dividend refund for the previous tax year         Add the total of:         Refundable portion of Part I tax from line 450 above         Total Part IV tax payable from Schedule 3                                                                                                                                                                                                                                                                                                                                     | 460<br>                                     | <b>4</b> 50                           | F       |
| Refundable portion of Part I tax – Amount C, D, or E, whichever is the least         * General rate reduction percentage for the tax year. This has to be pro-rated.         Refundable dividend tax on hand         Refundable dividend tax on hand at the end of the previous tax year         Deduct: Dividend refund for the previous tax year         Add the total of:         Refundable portion of Part I tax from line 450 above         Total Part IV tax payable from Schedule 3         Net refundable dividend tax on hand transferred from a predecessor corporation                                                                                                                                                                                                                                              | 460                                         | <b>4</b> 50                           | F       |
| Refundable portion of Part I tax – Amount C, D, or E, whichever is the least         * General rate reduction percentage for the tax year. This has to be pro-rated.         Refundable dividend tax on hand         Refundable dividend tax on hand at the end of the previous tax year         Deduct: Dividend refund for the previous tax year         Add the total of:         Refundable portion of Part I tax from line 450 above         Total Part IV tax payable from Schedule 3         Net refundable dividend tax on hand transferred from a predecessor corporation         Refundable dividend tax on hand at the end of the tax year – Amount G                                                                                                                                                                | 460                                         | ►                                     | F       |
| Refundable portion of Part I tax – Amount C, D, or E, whichever is the least         * General rate reduction percentage for the tax year. This has to be pro-rated.         Refundable dividend tax on hand         Refundable dividend tax on hand at the end of the previous tax year         Deduct: Dividend refund for the previous tax year         Add the total of:         Refundable portion of Part I tax from line 450 above         Total Part IV tax payable from Schedule 3         Net refundable dividend tax on hand transferred from a predecessor corporation                                                                                                                                                                                                                                              | et                                          | ►                                     | F       |
| Refundable portion of Part I tax – Amount C, D, or E, whichever is the leas         * General rate reduction percentage for the tax year. This has to be pro-rated.         Refundable dividend tax on hand         Refundable dividend tax on hand at the end of the previous tax year         Deduct: Dividend refund for the previous tax year         Add the total of:         Refundable portion of Part I tax from line 450 above         Total Part IV tax payable from Schedule 3         Net refundable dividend tax on hand transferred from a predecessor corpora amalgamation, or from a wound-up subsidiary corporation         Refundable dividend tax on hand at the end of the tax year – Amount G         Dividend refund         Private and subject corporations at the time taxable dividends were partial | t                                           | ►                                     | F       |
| Refundable portion of Part I tax – Amount C, D, or E, whichever is the leas         * General rate reduction percentage for the tax year. This has to be pro-rated.         Refundable dividend tax on hand         Refundable dividend tax on hand at the end of the previous tax year         Deduct: Dividend refund for the previous tax year         Add the total of:         Refundable portion of Part I tax from line 450 above         Total Part IV tax payable from Schedule 3         Net refundable dividend tax on hand transferred from a predecessor corpora amalgamation, or from a wound-up subsidiary corporation         Refundable dividend tax on hand at the end of the tax year – Amount G         Dividend refund         Private and subject corporations at the time taxable dividends were partial | ti                                          |                                       | F       |

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| ┌ Part I tax ─────                                                                                                                                |                                    |         |   |
|---------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|---------|---|
| Base amount of Part I tax – Taxable income (line 360 or amount Z, whichever applies) multiplied by 38                                             | 8.00 %                             | 17,764  | А |
| Recapture of investment tax credit from Schedule 31                                                                                               |                                    |         | В |
| Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investme<br>(if it was a CCPC throughout the tax year) | ent income                         |         |   |
| Aggregate investment income from line 440                                                                                                         | i                                  |         |   |
| Amount from line 400, 405, 410, or 425, whichever is the least                                                                                    |                                    |         |   |
| Net amount                                                                                                                                        | ii                                 |         |   |
| Refundable tax on CCPC's investment income – 6 2 / 3 % of whichever is less: amount i or ii                                                       |                                    |         | С |
|                                                                                                                                                   | Subtotal ( <b>add</b> lines A to C | )17,764 | D |
| Deduct:                                                                                                                                           |                                    |         |   |
| Small business deduction from line 430                                                                                                            | 7,947 1                            |         |   |
| Federal tax abatement    608                                                                                                                      | 4,675                              |         |   |
| Manufacturing and processing profits deduction from Schedule 27                                                                                   |                                    |         |   |
| 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                                                                             |                                    |         |   |
| General tax reduction for CCPCs from amount M                                                                                                     |                                    |         |   |
| General tax reduction from amount X                                                                                                               |                                    |         |   |
| Federal logging tax credit from Schedule 21    640                                                                                                |                                    |         |   |
| Federal qualifying environmental trust tax credit    648                                                                                          |                                    |         |   |
| Investment tax credit from Schedule 31                                                                                                            |                                    |         |   |
| Subtotal =                                                                                                                                        | 12,622                             | 12,622  | Е |
| Part I tax payable – Line D minus line E                                                                                                          |                                    | 5,142   | F |
| Enter amount F on line 700.                                                                                                                       |                                    |         |   |

| <ul> <li>Summary of tax and credits</li> </ul>                                                                     |                                                                                                              |
|--------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|
| Federal tax                                                                                                        | 700 5.142                                                                                                    |
| Part I tax payable                                                                                                 | 700                                                                                                          |
| Part II surtax payable from Schedule 46                                                                            | 710                                                                                                          |
| Part III.1 tax payable from Schedule 55                                                                            | 740                                                                                                          |
| Part IV tax payable from Schedule 3                                                                                | 746                                                                                                          |
| Part IV.1 tax payable from Schedule 43                                                                             | 700                                                                                                          |
| Part VI tax payable from Schedule 38                                                                               | 704                                                                                                          |
| Part VI.1 tax payable from Schedule 43                                                                             | 797                                                                                                          |
| Part XIII.1 tax payable from Schedule 92                                                                           | 720                                                                                                          |
| Part XIV tax payable from Schedule 20                                                                              |                                                                                                              |
| Add provincial or territorial tax:                                                                                 | Total federal tax 5,142                                                                                      |
| Provincial or territorial jurisdiction 750 ON                                                                      |                                                                                                              |
| (if more than one jurisdiction, enter "multiple" and complete Schedule 5)                                          |                                                                                                              |
| Net provincial or territorial tax payable (except Ontario [for tax years ending before 2009], Quebec, and Alberta) |                                                                                                              |
| Provincial tax on large corporations (New Brunswick* and Nova Scotia)                                              |                                                                                                              |
|                                                                                                                    | <b>&gt;</b>                                                                                                  |
| Deduct other credits:                                                                                              | Total tax payable 770 5,142                                                                                  |
| Investment tax credit refund from Schedule 31                                                                      |                                                                                                              |
| Dividend refund                                                                                                    |                                                                                                              |
| Federal capital gains refund from Schedule 18                                                                      |                                                                                                              |
| Federal qualifying environmental trust tax credit refund                                                           |                                                                                                              |
| Canadian film or video production tax credit refund (Form T1131)                                                   |                                                                                                              |
| Film or video production services tax credit refund (Form T1177)                                                   |                                                                                                              |
| Tax withheld at source                                                                                             |                                                                                                              |
| Total payments on which tax has been withheld                                                                      |                                                                                                              |
| Provincial and territorial capital gains refund from Schedule 18                                                   |                                                                                                              |
| Provincial and territorial refundable tax credits from Schedule 5                                                  |                                                                                                              |
| Tax instalments paid                                                                                               |                                                                                                              |
| •                                                                                                                  | ⁻otal credits 890 ►                                                                                          |
|                                                                                                                    |                                                                                                              |
| Refund code 894 Overpayment                                                                                        | Balance (line A <b>minus</b> line B) <u>5,142</u>                                                            |
| Direct deposit request                                                                                             | L If the result is negative, you have an <b>overpayment</b> .                                                |
| To have the corporation's refund deposited directly into the corporation's bank                                    | If the result is positive, you have a <b>balance unpaid</b> .<br>Enter the amount on whichever line applies. |
| account at a financial institution in Canada, or to change banking information you                                 | Enter the amount on whenever line applies.                                                                   |
| already gave us, complete the information below:                                                                   | Generally, we do not charge or refund a difference                                                           |
| Start Change information 910                                                                                       | of \$2 or less.                                                                                              |
| 914 918 Branch number                                                                                              | Balance unpaid 5,142                                                                                         |
| Institution number Account number                                                                                  | Enclosed payment 898                                                                                         |
| If the corporation is a Canadian-controlled private corporation throughout the tax year,                           |                                                                                                              |
| does it qualify for the one-month extension of the date the balance of tax is due?                                 | 896 1 Yes X 2 No                                                                                             |
| * The New Brunswick tax on large corporations is eliminated effective January 1, 2009.                             |                                                                                                              |
|                                                                                                                    |                                                                                                              |
| - Certification                                                                                                    |                                                                                                              |
| I, 950 BEAULNE 951 RENÉ                                                                                            | 954 GÉRANT                                                                                                   |
| Last name in block letters First name in block                                                                     |                                                                                                              |
| am an authorized signing officer of the corporation. I certify that I have examined this return                    |                                                                                                              |
| the information given on this return is, to the best of my knowledge, correct and complete.                        |                                                                                                              |
| tax year is consistent with that of the previous year except as specifically disclosed in a sta                    |                                                                                                              |
| 955 2011-07-26                                                                                                     | <b>956</b> (613) 679-4093                                                                                    |

| 2011 07 20                              |                                                                          | 000 |                  |
|-----------------------------------------|--------------------------------------------------------------------------|-----|------------------|
| Date (yyyy/mm/dd)                       | Signature of the authorized signing officer of the corporation           |     | Telephone number |
| Is the contact person the same as the a | uthorized signing officer? If <b>no</b> , complete the information below |     | 1 Yes X 2 No     |
|                                         | Name in block letters                                                    |     | Telephone number |
|                                         |                                                                          |     |                  |

#### Language of correspondence – Langue de correspondance -

Indicate your language of correspondence by entering 1 for English or 2 for French. Indiquez votre langue de correspondance en inscrivant 1 pour anglais ou 2 pour français.

990

2

| Canada Revenue Agence du revenu<br>Agency du Canada |                                      |                  | SCHEDULE 100                   |
|-----------------------------------------------------|--------------------------------------|------------------|--------------------------------|
| Form identifier 100                                 | GENERAL INDEX OF FINANCIAL INFORMATI | ON – GIFI        |                                |
| Name of corporation                                 |                                      | Business Number  | Tax year end<br>Year Month Day |
| HYDRO 2000 INC.                                     | 8                                    | 6595 5397 RC0001 | 2008-12-31                     |
| Balance sheet information                           |                                      |                  |                                |
| Account Description                                 | GIFI                                 | Current year     | Prior year                     |
| - Assets                                            | 1599                                 | + 1 273 540      | 1 281 583                      |

| ASSels                                                      |        |           |           |
|-------------------------------------------------------------|--------|-----------|-----------|
| Total current assets                                        | 1599 + | 1,273,540 | 1,281,583 |
| Total tangible capital assets                               | 2008 + | 733,583   | 649,026   |
| Total accumulated amortization of tangible capital assets   |        | 321,680   | 274,136   |
| Total intangible capital assets                             | 2178 + | 4,639     | 4,639     |
| Total accumulated amortization of intangible capital assets | 2179 – | 3,761     | 3,298     |
| Total long-term assets                                      | 2589 + | 289,997   | 354,014   |
| * Assets held in trust                                      | 2590 + |           |           |
| Total assets (mandatory field)                              | 2599 = | 1,976,318 | 2,011,828 |
| _<br>┌ Liabilities                                          |        |           |           |
| Total current liabilities                                   | 3139 + | 852,061   | 817,642   |
| Total long-term liabilities                                 | 3450 + | 396,468   | 478,670   |
| * Subordinated debt                                         | 3460 + |           |           |
| * Amounts held in trust                                     | 3470 + |           |           |
| Total liabilities (mandatory field)                         | 3499 = | 1,248,529 | 1,296,312 |
| ⊂ Shareholder equity                                        |        |           |           |
| Total shareholder equity (mandatory field)                  | 3620 + | 727,789   | 715,516   |
| Total liabilities and shareholder equity                    | 3640 = | 1,976,318 | 2,011,828 |
| ⊢ Retained earnings —————————————————————                   |        |           |           |
| Retained earnings/deficit – end (mandatory field)           | 3849 = | 419,054   | 406,781   |
| <u> </u>                                                    |        |           |           |

\* Generic item

| Cana<br>Agei   | ada Revenue Agence du revenu<br>ncy du Canada                       |        |                | SCHEDULE 125                   |
|----------------|---------------------------------------------------------------------|--------|----------------|--------------------------------|
| Form identifie | GENERAL INDEX OF FINANCIAL INFORMA                                  | TION - | GIFI           |                                |
| Name of corp   | poration                                                            | Βι     | usiness Number | Tax year end<br>Year Month Day |
| HYDRO 20       | 000 INC.                                                            | 865    | 95 5397 RC0001 | 2008-12-31                     |
|                | tatement information                                                |        |                |                                |
| Descriptio     | n GIFI                                                              |        |                |                                |
| Description    | name     0001       of the operation     0002       Number     0003 |        |                |                                |
| Account        | Description                                                         | GIFI   | Current year   | Prior year                     |
| ⊢ Income s     | statement information                                               |        |                |                                |
|                | _ Total sales of goods and services                                 | 8089 + | 2,270,988      | 2,310,546                      |
|                | _ Cost of sales                                                     | 8518 – | 1,996,170      | 2,069,093                      |
|                | _ Gross profit/loss                                                 | 8519 = | 274,818        | 241,453                        |
|                | Cost of sales                                                       | 8518 + | 1,996,170      | 2,069,093                      |
|                | Total operating expenses                                            | 9367 + | 310,406        | 294,980                        |
|                | <b>Total expenses</b> (mandatory field)                             | 9368 = | 2,306,576      | 2,364,073                      |
|                | Total revenue (mandatory field)                                     | 8299 + | 2,304,332      | 2,355,832                      |
|                | Total expenses (mandatory field)                                    | 9368 - | 2,306,576      | 2,364,073                      |
|                | Net non-farming income                                              | 9369 = | -2,244         | -8,241                         |
| – Farming      | income statement information                                        |        |                |                                |
|                | _ Total farm revenue (mandatory field)                              | 9659 + |                |                                |
|                | _ Total farm expenses (mandatory field)                             | 9898 — |                |                                |
|                | _ Net farm income                                                   | 9899 = |                |                                |
|                | Net income/loss before taxes and extraordinary items                | 9970 = | -2,244         | -8,241                         |
| – Extraord     | linary items and income (linked to Schedule 140)                    |        |                |                                |
|                | Extraordinary item(s)                                               | 9975 - |                |                                |
|                | Legal settlements                                                   | 9976 – |                |                                |
|                | Unrealized gains/losses                                             | 9980 + |                |                                |
|                | Unusual items                                                       | 9985 - |                |                                |
|                | _ Current income taxes                                              | 9990 - | 7,713          | 29,116                         |
|                | _ Deferred income tax provision                                     | 9995 - | -22,230        | -30,629                        |
|                | Total – Other comprehensive income                                  | 9998 + |                |                                |
|                | (mandatory field)                                                   | 9999 = | 12,273         | -6,728                         |
|                |                                                                     |        | · · · · ·      | <u>·</u>                       |



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#### **SCHEDULE 141**

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**NOTES CHECKLIST** 

| Corporation's name | Business Number   | Tax year-end   |
|--------------------|-------------------|----------------|
|                    |                   | Year Month Day |
| HYDRO 2000 INC.    | 86595 5397 RC0001 | 2008-12-31     |

- Parts 1, 2, and 3 of this schedule must be completed from the perspective of the person (referred to in these parts as the "accountant") who prepared or reported on the financial statements.
- For more information, see Guide RC4088, General Index of Financial Information (GIFI) for Corporations and Guide T4012, T2 Corporation Income Tax Guide.
- Complete this schedule, and include it with your T2 return along with the other GIFI schedules.

If the person preparing the tax return is not the accountant referred to above, they must still complete Parts 1, 2, 3, and 4, as applicable.

#### Part 1 – Information on the accountant preparing or reporting on the financial statements -

| Is the accountant connected* with the corporation? | <br>097 | 1 Yes | 2 No | X |
|----------------------------------------------------|---------|-------|------|---|

- \* A person connected with a corporation can be: (i) a shareholder of the corporation who owns more than 10% of the common shares; (ii) a director, an officer, or an employee of the corporation; or (iii) a person not dealing at arm's length with the corporation.
- **Note:** If the accountant does not have a professional designation **or** is connected to the corporation, you do not have to complete Parts 2 and 3 of this schedule. However, you do have to complete Part 4, as applicable.

#### $\_$ Part 2 – Type of involvement with the financial statements $\cdot$

| Choose the option that represents the highest level of involvement of the accountant: | 198        |
|---------------------------------------------------------------------------------------|------------|
| Completed an auditor's report                                                         | 1 <b>X</b> |
| Completed a review engagement report                                                  | 2          |
| Conducted a compilation engagement                                                    | 3          |

#### Part 3 – Reservations ·

| If you selected option "1" or "2" under Type of inve | olvement with the financial statements above, answer the following que | stion:    |
|------------------------------------------------------|------------------------------------------------------------------------|-----------|
| Has the accountant expressed a reservation?          |                                                                        | es 2 No X |

#### Part 4 – Other information -

| If you have a professional designation and are not the accountant associated with the financial statements in Part 1 above, choose one of the following options: |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                  |
| Prepared the tax return (financial statements prepared by client)                                                                                                |
| Prepared the tax return and the financial information contained therein (financial statements have not been prepared) 2                                          |
| Were notes to the financial statements prepared?         101         1 Yes X         2 No                                                                        |
| If <b>yes</b> , complete lines 102 to 107 below:                                                                                                                 |
| Are any values presented at other than cost?                                                                                                                     |
| Has there been a change in accounting policies since the last return?                                                                                            |
| Are subsequent events mentioned in the notes?                                                                                                                    |
| Is re-evaluation of asset information mentioned in the notes?                                                                                                    |
| Is contingent liability information mentioned in the notes?                                                                                                      |
| Is information regarding commitments mentioned in the notes?                                                                                                     |
| Does the corporation have investments in joint venture(s) or partnership(s)? 108 1 Yes 2 No X                                                                    |
| If <b>yes</b> , complete line 109 below:                                                                                                                         |
| Are you filing financial statements of the joint venture(s) or partnership(s)? 109 1 Yes 2 No                                                                    |
|                                                                                                                                                                  |

T2 SCH 141 (08)

## **SCHEDULE 100**

## **GENERAL INDEX OF FINANCIAL INFORMATION – GIFI**

| Form identifier 100 |                   |                                |
|---------------------|-------------------|--------------------------------|
| Name of corporation | Business Number   | Tax year-end<br>Year Month Day |
| HYDRO 2000 INC.     | 86595 5397 RC0001 | 2008-12-31                     |

#### Assets - lines 1000 to 2599

| 1002 | 596,347   | 1062 | 199,699   | 1063 | -8,669   |
|------|-----------|------|-----------|------|----------|
| 1122 | 18,276    | 1480 | 400,038   | 1483 | 16,287   |
| 1484 | 51,562    | 1599 | 1,273,540 | 1774 | 100,151  |
| 1775 | -41,327   | 1783 | 740,566   | 1784 | -287,645 |
| 1787 | 3,861     | 1788 | -3,077    | 1900 | -110,995 |
| 1901 | 10,369    | 2008 | 733,583   | 2009 | -321,680 |
| 2018 | 4,639     | 2019 | -3,761    | 2178 | 4,639    |
| 2179 | -3,761    | 2424 | 289,997   | 2589 | 289,997  |
| 2599 | 1,976,318 |      |           |      |          |

#### Liabilities - lines 2600 to 3499

| 2621 | 552,363_ | <b>2920</b> 103,005 | <b>2960</b> 196,693   |
|------|----------|---------------------|-----------------------|
| 3139 | 852,061  | <b>3240</b> 53,423  | <b>3262</b> 273,050   |
| 3320 | 69,995   | <b>3450</b> 396,468 | <b>3499</b> 1,248,529 |

#### Shareholder equity - lines 3500 to 3640

| 3500 | 308,735   | 3600 | 419,054 | 3620 | 727,789 |
|------|-----------|------|---------|------|---------|
| 3640 | 1,976,318 |      |         |      |         |
|      |           |      |         |      |         |

3680

#### Retained earnings – lines 3660 to 3849

3660

406,781

12,273

**3849** 419,054

# SCHEDULE 125

### **GENERAL INDEX OF FINANCIAL INFORMATION – GIFI**

| Form identifier | r 125                  |                      |           |                   |                                |
|-----------------|------------------------|----------------------|-----------|-------------------|--------------------------------|
| Name of corp    | oration                |                      |           | Business Number   | Tax year-end<br>Year Month Day |
| HYDRO 20        | 00 INC.                |                      |           | 86595 5397 RC0001 | 2008-12-31                     |
| Revenue -       | - lines 8000 to 8299   |                      |           |                   |                                |
| 8000            | 2,270,988              | 8089                 | 2,270,988 | 8230              | 33,344                         |
| 8299            | 2,304,332              |                      |           |                   |                                |
| Cost of sa      | les – lines 8300 to 85 | 19                   |           |                   |                                |
| 8320            | 1,996,170              | 8518                 | 1,996,170 | 8519              | 274,818                        |
| Operating       | expenses – lines 852   | 20 to 9369           |           |                   |                                |
| 8570            | 463                    | 8670                 | 51,895_   | 9270              | -4,351                         |
| 9284            | 262,399                | 9367                 | 310,406   | 9368              | 2,306,576                      |
| 9369            | -2,244                 |                      |           |                   |                                |
| Farming re      | evenue – lines 9370 t  | o 9659               |           |                   |                                |
| 9659            | 0                      |                      |           |                   |                                |
| Farming e       | xpenses – lines 9660   | to 9899              |           |                   |                                |
| 9898            | 0                      |                      |           |                   |                                |
| Extraordin      | nary items and taxes · | – lines 9970 to 9999 |           |                   |                                |
| 9970            | -2,244                 | 9990                 | 7,713     | 9995              | -22,230                        |
| 9999            | 12,273                 |                      |           |                   |                                |

| Canada Revenue<br>Agency       Agence du revenu<br>du Canada       NET INCOME (LOSS) FOR INCOI                                                                                                                                                                                                                                                        | SCHEDULE                           |                                |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|--------------------------------|
| Corporation's name                                                                                                                                                                                                                                                                                                                                    | Business Number                    | Tax year end<br>Year Month Day |
| HYDRO 2000 INC.                                                                                                                                                                                                                                                                                                                                       | 86595 5397 RC0001                  | 2008-12-31                     |
| <ul> <li>The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) net income (loss) for tax purposes. For more information, see the T2 <i>Corporation Income Tax Guide</i>.</li> <li>Sections, subsections, and paragraphs referred to on this schedule are from the <i>Income Tax Act</i>.</li> </ul> | as reported on the financial state | ments and its                  |
| Amount calculated on line 9999 from Schedule 125                                                                                                                                                                                                                                                                                                      |                                    | 12,273                         |
| Add:                                                                                                                                                                                                                                                                                                                                                  |                                    |                                |
| Provision for income taxes – current 10                                                                                                                                                                                                                                                                                                               | 7,713                              |                                |
| Provision for income taxes – deferred 10                                                                                                                                                                                                                                                                                                              | -22,230                            |                                |
| Amortization of tangible assets                                                                                                                                                                                                                                                                                                                       | 4 51,895                           |                                |
| Amortization of intangible assets                                                                                                                                                                                                                                                                                                                     | <b>6</b> 463                       |                                |
| Subtotal of additions                                                                                                                                                                                                                                                                                                                                 | 37,841                             | 37,841                         |
| Other additions:                                                                                                                                                                                                                                                                                                                                      |                                    |                                |
| Miscellaneous other additions:                                                                                                                                                                                                                                                                                                                        |                                    |                                |
| 600     Recouvrements inclus contre autres actifs     29       604     604                                                                                                                                                                                                                                                                            | 0 107,015                          |                                |
| Subtotal of other additions                                                                                                                                                                                                                                                                                                                           | 9 107,015                          | 107,015                        |
| Total additions 50                                                                                                                                                                                                                                                                                                                                    | 0 144,856                          | 144,856                        |
| Deduct:                                                                                                                                                                                                                                                                                                                                               |                                    |                                |
| Capital cost allowance from Schedule 8 40                                                                                                                                                                                                                                                                                                             | 3 31,402                           |                                |
| Cumulative eligible capital deduction from Schedule 10                                                                                                                                                                                                                                                                                                |                                    |                                |
| Subtotal of deduction                                                                                                                                                                                                                                                                                                                                 | ns 31,557 ►                        | 31,557                         |
| Other deductions:                                                                                                                                                                                                                                                                                                                                     |                                    |                                |
| Miscellaneous other deductions:                                                                                                                                                                                                                                                                                                                       |                                    |                                |
| 700 Frais de transitions deductible   39                                                                                                                                                                                                                                                                                                              | 0 73,268                           |                                |
| 701         Intérêts sur autres actifs         39                                                                                                                                                                                                                                                                                                     | /                                  |                                |
| 703       Amortissement apports pour immobilisations corporelles       39         704       704                                                                                                                                                                                                                                                       | 3 4,351                            |                                |
| 704                                                                                                                                                                                                                                                                                                                                                   | 4                                  |                                |
| Subtotal of other deductions 49                                                                                                                                                                                                                                                                                                                       |                                    | 78,824                         |
| Total deductions 5                                                                                                                                                                                                                                                                                                                                    |                                    | 110,381                        |
| Net income (loss) for income tax purposes – enter on line 300 of the T2 return                                                                                                                                                                                                                                                                        |                                    | 46,748                         |

\* For reference purposes only

T2 SCH 1 E (09)

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Canada Revenue

Agency

**SCHEDULE 8** 

#### CAPITAL COST ALLOWANCE (CCA)

| Name of corporation | Business Number   | Tax year end<br>Year Month Day |
|---------------------|-------------------|--------------------------------|
| HYDRO 2000 INC.     | 86595 5397 RC0001 | 2008-12-31                     |

2 No X

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

101

1 Yes

Is the corporation electing under regulation 1101(5q)?

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| nur<br>(S | 1<br>lass<br>mber<br>See<br>ote) | Description                       | 2<br>Undepreciated<br>capital cost at<br>the beginning<br>of the year<br>(undepreciated<br>capital cost at<br>the end of last<br>year) | 3<br>Cost of<br>acquisitions<br>during the year<br>(new property<br>must be<br>available<br>for use)* | 4<br>Net<br>adjustments** | 5<br>Proceeds of<br>dispositions<br>during the year<br>(amount not to<br>exceed the<br>capital cost) | 6<br>50% rule (1/2<br>of the amount,<br>if any, by which<br>the net cost<br>of acquisitions<br>exceeds<br>column 5)*** | 7<br>Reduced<br>undepreciated<br>capital cost | 8<br>CCA<br>rate<br>% | 9<br>Recapture of<br>capital cost<br>allowance<br>(line 107 of<br>Schedule 1) | 10<br>Terminal loss<br>(line 404 of<br>Schedule 1) | 11<br>Capital cost<br>allowance<br>(column 7<br><b>multiplied</b><br>by column 8;<br>or a lower<br>amount)<br>(line 403 of | 12<br>Undepreciated<br>capital cost<br>at the end of<br>the year<br>(column 6<br><b>plus</b> column 7<br><b>minus</b><br>column 11) |
|-----------|----------------------------------|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|---------------------------|------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|-----------------------|-------------------------------------------------------------------------------|----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| 2         | 200                              |                                   | 201                                                                                                                                    | 203                                                                                                   | 205                       | 207                                                                                                  | 211                                                                                                                    |                                               | 212                   | 213                                                                           | 215                                                | Schedule 1)****<br>217                                                                                                     | 220                                                                                                                                 |
| 1.        | 1                                | Équip distr. > 1987               | 198,269                                                                                                                                |                                                                                                       |                           | 0                                                                                                    |                                                                                                                        | 198,269                                       | 4                     | 0                                                                             | 0                                                  | 7,931                                                                                                                      | 190,338                                                                                                                             |
| 2.        | 2                                | Équip Distr < 1988                | 212,084                                                                                                                                |                                                                                                       |                           | 0                                                                                                    |                                                                                                                        | 212,084                                       | 6                     | 0                                                                             | 0                                                  | 12,725                                                                                                                     | 199,359                                                                                                                             |
| 3.        | 8                                | Équip de bureau                   | 1,945                                                                                                                                  | 324                                                                                                   |                           | 0                                                                                                    | 162                                                                                                                    | 2,107                                         | 20                    | 0                                                                             | 0                                                  | 421                                                                                                                        | 1,848                                                                                                                               |
| 4.        | 10                               | Ordinateur                        | 2,539                                                                                                                                  |                                                                                                       |                           | 0                                                                                                    |                                                                                                                        | 2,539                                         | 30                    | 0                                                                             | 0                                                  | 762                                                                                                                        | 1,777                                                                                                                               |
| 5.        | 12                               | Logiciels                         | 558                                                                                                                                    | 2,610                                                                                                 |                           | 0                                                                                                    | 1,305                                                                                                                  | 1,863                                         | 100                   | 0                                                                             | 0                                                  | 1,863                                                                                                                      | 1,305                                                                                                                               |
| 6         | 45                               | Équipements informatique          | 2,780                                                                                                                                  |                                                                                                       |                           | 0                                                                                                    |                                                                                                                        | 2,780                                         | 45                    | 0                                                                             | 0                                                  | 1,251                                                                                                                      | 1,529                                                                                                                               |
| 7 !       | 50                               | Équipements informatiques > 18    | 438                                                                                                                                    | 4,704                                                                                                 |                           | 0                                                                                                    | 2,352                                                                                                                  | 2,790                                         | 55                    | 0                                                                             | 0                                                  | 1,535                                                                                                                      | 3,607                                                                                                                               |
| 8. 4      | 47                               | Équipement distribution           | 44,414                                                                                                                                 | 34,019                                                                                                |                           | 0                                                                                                    | 17,010                                                                                                                 | 61,423                                        | 8                     | 0                                                                             | 0                                                  | 4,914                                                                                                                      | 73,519                                                                                                                              |
| 9.        | 12                               | Logiciels - Construction en cours |                                                                                                                                        | 42,900                                                                                                |                           | 0                                                                                                    | 21,450                                                                                                                 | 21,450                                        | 0                     | 0                                                                             | 0                                                  |                                                                                                                            | 42,900                                                                                                                              |
|           |                                  | Total                             | 463,027                                                                                                                                | 84,557                                                                                                |                           |                                                                                                      | 42,279                                                                                                                 | 505,305                                       |                       |                                                                               |                                                    | 31,402                                                                                                                     | 516,182                                                                                                                             |

Note: Class numbers followed by a letter indicate the basic rate of the class taking into account the additional deduction allowed. Class 1a: 4% + 6% = 10% (class 1 to 10%), class 1b: 4% + 2% = 6% (class 1 to 6%).

\* 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).

\*\* Include amounts transferred under section 85, or on amalgamation and winding-up of a subsidiary. See the *T2 Corporation Income Tax Guide* for other examples of adjustments to include in column 4.

\*\*\* The net cost of acquisitions is the cost of acquisitions (column 3) plus or minus certain adjustments from column 4. For exceptions to the 50% rule, see Interpretation Bulletin IT-285, *Capital Cost Allowance – General Comments*.

\*\*\*\* If the tax year is shorter than 365 days, prorate the CCA claim. Some classes of property do not have to be prorated. See the *T2 Corporation Income Tax Guide* for more information.

T2 SCH 8 (06)



# **Fixed Assets Reconciliation**

Reconciliation of change in fixed assets per financial statements to amounts used per tax return.

| Tax return                                                                                 |                        |   |         |
|--------------------------------------------------------------------------------------------|------------------------|---|---------|
| Additions for tax purposes – Schedule 8 regular classes                                    | 84,557                 |   |         |
| Additions for tax purposes – Schedule 8 leasehold improvements                             | +                      |   |         |
| Operating leases capitalized for book purposes                                             |                        |   |         |
| Capital gain deferred                                                                      | +                      |   |         |
| Recapture deferred                                                                         | +                      |   |         |
| Deductible expenses capitalized for book purposes – Schedule 1                             | +                      |   |         |
| Amortissement apports                                                                      | + 4,351                |   |         |
| Total additions per books                                                                  | = 88,908               | ▶ | 88,908  |
|                                                                                            |                        |   |         |
| Proceeds up to original cost – Schedule 8 regular classes                                  |                        |   |         |
| Proceeds up to original cost – Schedule 8 leasehold improvements                           | +                      |   |         |
| Proceeds in excess of original cost – capital gain                                         | +                      |   |         |
| Recapture deferred – as above                                                              | +                      |   |         |
| Capital gain deferred – as above                                                           | +                      |   |         |
| Pre V-day appreciation                                                                     | +                      |   |         |
|                                                                                            | +                      | 5 |         |
| Total proceeds per books                                                                   | =                      | ▶ |         |
| Depreciation and amortization per accounts – Schedule 1                                    |                        | _ | 51,895  |
| Loss on disposal of fixed assets per accounts                                              |                        | _ | ,       |
| Gain on disposal of fixed assets per accounts                                              |                        | + |         |
|                                                                                            | change per tax return  | = | 37,013  |
|                                                                                            |                        |   |         |
| Financial statements                                                                       |                        |   |         |
| Fixed assets (excluding land) per financial statements                                     |                        |   |         |
| Closing net book value                                                                     |                        |   | 411,903 |
| Opening net book value                                                                     |                        |   | 374,890 |
| Net change pe                                                                              | r financial statements | = | 37,013  |
| If the ensure from the toy return and the financial statements differ, symbols why below   |                        |   |         |
| If the amounts from the tax return and the financial statements differ, explain why below. |                        |   |         |
|                                                                                            |                        |   |         |
|                                                                                            |                        |   |         |
|                                                                                            |                        |   |         |

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|-----|------|-------|
|     |      |       |

## CUMULATIVE ELIGIBLE CAPITAL DEDUCTION

| Name of corporation | Business Number   | Tax year end<br>Year Month Day |
|---------------------|-------------------|--------------------------------|
| HYDRO 2000 INC.     | 86595 5397 RC0001 | 2008-12-31                     |

• 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-forwa                                                                                                        | rd         |          |
|------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|----------|
| Cumulat    | tive eligible capital - Balance at the end of the preceding taxation year (if negative, enter "0")                                                                    |            | 2,212 A  |
| Add:       | Cost of eligible capital property acquired during the taxation year                                                                                                   |            | <i>i</i> |
|            | Other adjustments                                                                                                                                                     |            |          |
|            | Subtotal (line 222 plus line 226) x 3 / 4 =                                                                                                                           | Β          |          |
|            | Non-taxable portion of a non-arm's length transferor's gain realized on the transfer                                                                                  |            |          |
|            | of an eligible capital property to the                                                                                                                                | C          |          |
|            | corporation after December 20, 2002 228 × 1 / 2 =<br>amount B minus amount C (if negative, enter "0")                                                                 | C          | D        |
|            | Amount transferred on amalgamation or wind-up of subsidiary                                                                                                           | 001        | B        |
|            | Subtotal (add amounts A, D, a                                                                                                                                         | · · · · ·  | 2,212 F  |
| Deduct:    | Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year                  |            |          |
|            | The gross amount of a reduction in respect of a forgiven         debt obligation as provided for in subsection 80(7)         Other adjustments       I                |            |          |
|            | Other adjustments                                                                                                                                                     | 4 = 248    | 1        |
| Cumulat    | tive eligible capital balance (amount F minus amount J)                                                                                                               |            | 2,212 K  |
|            | nt K is negative, enter "0" at line M and proceed to Part 2)                                                                                                          |            | Z1Z_ N   |
|            | ive eligible capital for a property no longer owned after ceasing to carry on                                                                                         |            |          |
| that busir |                                                                                                                                                                       |            |          |
|            | amount K 2,212                                                                                                                                                        |            |          |
|            |                                                                                                                                                                       |            |          |
| Current    | less amount from line 249                                                                                                                                             | 155 *      |          |
|            | (line 249 plus line 250) (enter this amount at line 405 of Schedule 1)                                                                                                | 155 🕨      | 155 L    |
| Cumulat    | tive eligible capital – Closing balance (amount K minus amount L) (if negative, enter "0")                                                                            |            | 2,057 M  |
|            | You can claim any amount up to the maximum deduction of 7%. The deduction may not exceed t amount prorated by the number of days in the taxation year divided by 365. | he maximum |          |



| Part 2 – Amount to be included in income arising from disposition —<br>(complete this part only if the amount at line K is negative)                                                                                            |         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| Amount from line K (show as positive amount)                                                                                                                                                                                    | N       |
| Total of cumulative eligible capital (CEC) deductions from income for taxation years         beginning after June 30, 1988                                                                                                      | 1       |
| Total of all amounts which reduced CEC in the current or prior years under         subsection 80(7)         401                                                                                                                 | 2       |
| Total of CEC deductions claimed for taxation years         beginning before July 1, 1988         3                                                                                                                              |         |
| Negative balances in the CEC account that were included in income for taxation years beginning before July 1, 1988       408       4                                                                                            |         |
| Line 3 minus line 4 (if negative, enter "0")                                                                                                                                                                                    | 5       |
| Total of lines 1, 2 and 5                                                                                                                                                                                                       | 6       |
| Amounts included in income under paragraph 14(1)(b), as<br>that paragraph applied to taxation years ending after June<br>30, 1988 and before February 28, 2000, to the extent that<br>it is for an amount described at line 400 |         |
| Amounts at line T from Schedule 10 of previous taxation years                                                                                                                                                                   |         |
| ending after February 27, 2000                                                                                                                                                                                                  |         |
| Subtotal (line 7 plus line 8) 409                                                                                                                                                                                               | 9       |
| Line 6 minus line 9 (if negative, enter "0")                                                                                                                                                                                    | ▶0      |
| Line N minus line O (if negative, enter "0")                                                                                                                                                                                    | P       |
| Line 5 × 1 / 2                                                                                                                                                                                                                  | = Q     |
| Line P minus line Q (if negative, enter "0")                                                                                                                                                                                    | R       |
| Amount R × 2 / 3                                                                                                                                                                                                                | = S     |
| Amount N or amount O, whichever is less Amount to be included in income (amount S plus amount T) (enter this amount on line 108 of Schedule 1)                                                                                  | Т<br>10 |





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#### **SCHEDULE 50**

#### SHAREHOLDER INFORMATION

| Name of corporation | Business Number   | Tax year end<br>Year Month Day |
|---------------------|-------------------|--------------------------------|
| HYDRO 2000 INC.     | 86595 5397 RC0001 | 2008-12-31                     |

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 o                                                         | ne number per sha          | areholder    | ]                              |                                   |
|----|-------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|----------------------------|--------------|--------------------------------|-----------------------------------|
|    | Name of shareholder<br>(after name, indicate in brackets if the shareholder<br>is a corporation, partnership, individual, or trust) | Business Number<br>(If a corporation is not<br>registered, enter "NR") | Social insurance<br>number | Trust number | Percentage<br>common<br>shares | Percentage<br>preferred<br>shares |
|    | 100                                                                                                                                 | 200                                                                    | 300                        | 350          | 400                            | 500                               |
| 1  | MUNICIPALITÉ DU CANTON D'ALFRED ET PLANTAGENI                                                                                       | 89244 4779 RC0001                                                      |                            |              | 100.000                        |                                   |
| 2  |                                                                                                                                     |                                                                        |                            |              |                                |                                   |
| 3  |                                                                                                                                     |                                                                        |                            |              |                                |                                   |
| 4  |                                                                                                                                     |                                                                        |                            |              |                                |                                   |
| 5  |                                                                                                                                     |                                                                        |                            |              |                                |                                   |
| 6  |                                                                                                                                     |                                                                        |                            |              |                                |                                   |
| 7  |                                                                                                                                     |                                                                        |                            |              |                                |                                   |
| 8  |                                                                                                                                     |                                                                        |                            |              |                                |                                   |
| 9  |                                                                                                                                     |                                                                        |                            |              |                                |                                   |
| 10 |                                                                                                                                     |                                                                        |                            |              |                                |                                   |



Ministry of Revenue Corporations Tax 33 King St. West PO Box 622 Oshawa ON L1H 8H6

## Authorizing or Cancelling a Representative

#### Complete this form to:

 authorize the release of confidential information about the Corporations Tax, Mining Tax or Electricity Act account(s) to the representative named below.

• **cancel** an existing authorization.

| Corporation's Legal Name                                                                                                                                        |                                    | Ontario Corpor       | rations Tax Account No.        | (MOF)                 | Taxation Year End                                                                          |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|----------------------|--------------------------------|-----------------------|--------------------------------------------------------------------------------------------|
| HYDRO 2000 INC.                                                                                                                                                 |                                    |                      | 1800109                        |                       | 2008-12-31                                                                                 |
| Part 1 Client Information<br>Legal Name<br>HYDRO 2000 INC.<br>Mailing address                                                                                   |                                    |                      | Phone number<br>(613) 679-4093 | to the fo<br>and acco | horization applies<br>llowing statute(s)<br>ount number(s).<br>orations Tax Act<br>1800109 |
| Apt./Suite/Unit no. Street number and name / PO Box, RR<br>265, RUE ST-PHILIPPE                                                                                 |                                    |                      |                                | Minir                 | ng Tax Act                                                                                 |
| City                                                                                                                                                            | Province/Territory                 | Postal code          |                                | Elect                 | ricity Act                                                                                 |
| ALFRED                                                                                                                                                          | ON                                 | K0B 1A0              |                                |                       |                                                                                            |
| Part 2 Authorize the release of inform                                                                                                                          | mation to a representativ          | е                    |                                |                       |                                                                                            |
| Name of representative (If a firm, name of firm.)                                                                                                               |                                    |                      | Phone number                   | Fax numbe             | er                                                                                         |
| Last                                                                                                                                                            | First                              |                      | 1                              |                       |                                                                                            |
|                                                                                                                                                                 |                                    |                      |                                |                       |                                                                                            |
| Mailing address<br>Apt./Suite/Unit no. Street number and name / PO Box, RR<br>300 MCGILL                                                                        |                                    |                      |                                |                       | I                                                                                          |
| City                                                                                                                                                            | Province/Territory                 | Postal code          |                                |                       |                                                                                            |
| HAWKESBURY                                                                                                                                                      | ON                                 | K6A 1P8              |                                |                       |                                                                                            |
| If your representative is a firm, and you want a s<br>If you do not identify a specific individual in the firm,                                                 | specific person in the firm to rep | present you, state t |                                |                       |                                                                                            |
| Name of person in firm                                                                                                                                          |                                    |                      | Title                          |                       |                                                                                            |
| Last                                                                                                                                                            | First                              |                      |                                |                       |                                                                                            |
|                                                                                                                                                                 |                                    |                      |                                |                       |                                                                                            |
| Part 3 Authorization scope and appl                                                                                                                             | icable years                       |                      |                                |                       |                                                                                            |
| <b>X</b> Representative to <b>deal fully</b> on your beh                                                                                                        | alf with the Ministry of Financ    | ce.                  | <b>X</b> Representati          | ve to act             | for <b>all years</b> ,                                                                     |
| or                                                                                                                                                              | ý                                  |                      | or including all               | previous              | and future years.                                                                          |
| Representative to deal in a limited man                                                                                                                         |                                    |                      |                                |                       | for <b>specific year or</b>                                                                |
| here. (e.g., account inquiry, applications,                                                                                                                     | tc.)▼                              | years (descr         | ibe). 🔻                        |                       |                                                                                            |
|                                                                                                                                                                 |                                    |                      |                                |                       |                                                                                            |
|                                                                                                                                                                 |                                    |                      |                                |                       |                                                                                            |
| Part 4 Cancel the release of informat                                                                                                                           | ion to a representative            |                      |                                |                       |                                                                                            |
| Name of representative (If a firm, name of firm.)                                                                                                               |                                    |                      |                                |                       |                                                                                            |
| Last                                                                                                                                                            | First                              |                      |                                |                       |                                                                                            |
|                                                                                                                                                                 |                                    |                      |                                |                       |                                                                                            |
| If your representative is an individual within a fin                                                                                                            | rm, state their name and title.    |                      |                                |                       |                                                                                            |
| Name of person in firm                                                                                                                                          |                                    |                      | Title                          |                       |                                                                                            |
| Last                                                                                                                                                            | First                              |                      | I                              |                       |                                                                                            |
|                                                                                                                                                                 |                                    |                      |                                |                       |                                                                                            |
| Part 5 Signature This form will not                                                                                                                             | be accepted unless it is           | completed fully      | y, signed and dat              | ed.                   |                                                                                            |
| <ul> <li>I authorize the Ministry of Finance to:</li> <li>release confidential information about the<br/>in Part 2 in the manner described in Part 3</li> </ul> | tax accounts specified in Par      | t 1 and to deal wi   | ith the representative         | e named               |                                                                                            |
| <ul> <li>cancel an existing authorization as describ</li> </ul>                                                                                                 |                                    |                      |                                |                       |                                                                                            |
| Name                                                                                                                                                            |                                    | Title / Relationsh   | nip to Corporation             |                       | Phone number                                                                               |
| Last First                                                                                                                                                      |                                    |                      |                                |                       |                                                                                            |
| BEAULNE RENÉ                                                                                                                                                    |                                    | GÉRANT               |                                |                       | (613) 679-4093                                                                             |
| 1                                                                                                                                                               |                                    |                      |                                |                       |                                                                                            |

2011-07-26



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

2007

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).

#### CT23 Corporations Tax and Annual Return Annual Return Annual Return

Corporations Tax Act – Ministry of Finance (MOF) Corporations Information Act – Ministry of Government Services (MGS)

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. <u>Ministry Use</u>

| MGS Annual Return Required? (Not required if already fi<br>Annual Return exempt. R                                   |                                                              | <b>Page 1 of 20</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|----------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Corporation's Legal Name (including punctuation)                                                                     |                                                              |                     | Ontario Corporations Tax Account No. (MOF)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| HYDRO 2000 INC.                                                                                                      |                                                              |                     | 1800109<br>This Deturn environ the Tourtien Year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Mailing Address                                                                                                      |                                                              |                     | This Return covers the Taxation Year year month day                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|                                                                                                                      |                                                              |                     | Start 2008-01-01                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 265, RUE ST-PHILIPPE                                                                                                 |                                                              |                     | End year month day                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                                                                                                                      |                                                              |                     | 2008-12-31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| ALFRED<br>ON CA K0B 1A0                                                                                              |                                                              |                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Has the mailing address changed                                                                                      | Date of Change                                               | year month day      | Date of Incorporation or Amalgamation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| since last filed CT23 Return?                                                                                        | -                                                            |                     | year month day                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 5                                                                                                                    |                                                              |                     | 2000-09-29                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 265, RUE ST-PHILIPPE                                                                                                 |                                                              |                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| ALFRED                                                                                                               |                                                              |                     | Ontario<br>Corporation No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| ON CA KOB 1A0                                                                                                        |                                                              |                     | (MGS) 1427551                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Location of Books and Records                                                                                        |                                                              |                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|                                                                                                                      |                                                              |                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 265, RUE ST-PHILIPPE                                                                                                 |                                                              |                     | Canada Revenue Agency Business No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| ALFRED                                                                                                               |                                                              |                     | 86595 5397 RC0001                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| ON CA KOB 1A0                                                                                                        | 1                                                            | 1                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Name of person to contact regarding this CT23 Return                                                                 | Telephone No.                                                | Fax No.             | Jurisdiction                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| RENÉ BEAULNE                                                                                                         | ((12) (70, 4002                                              |                     | Incorporated Ontario                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| KENE DEAULINE<br>Address of Principal Office in Ontario (Extra-Provincial Corpo                                      | (613) 679-4093                                               | (MGS)               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|                                                                                                                      | •/                                                           |                     | If not incorporated in Ontario, indicate the date Ontario business activity commenced                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                                                                                                                      |                                                              |                     | and ceased: year month day                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|                                                                                                                      |                                                              |                     | Commenced                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Ontario Canada                                                                                                       |                                                              |                     | year month day                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Former Corporation Name (Extra-Provincial Corporations onl                                                           | y) X Not Applicable                                          | (MGS)               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|                                                                                                                      |                                                              |                     | X Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|                                                                                                                      |                                                              | N 60 1 1 1 1 1      | Preferred Language / Langue de préférence                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Information on Directors/Officers/Administrators must b<br>Schedule A or K as appropriate. If additional space is re |                                                              | No. of Schedule(s)  | English<br>anglais<br>French<br>français                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| only this schedule may be photocopied. State number s                                                                | • • •                                                        |                     | Image: Image and the second se |
| If there is <b>no change</b> to the Directors'/Officers'/Adminis                                                     | strators' information previo                                 |                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| submitted to MGS, please check (X) this box. Schedule                                                                |                                                              |                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|                                                                                                                      | Certifica                                                    | tion (MGS)          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| I certify that all information set out in the Annu                                                                   | al Return is true, corr                                      | ect and complete.   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Name of Authorized Person (Print clearly or type in full)                                                            |                                                              |                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| RENÉ BEAULNE                                                                                                         |                                                              |                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>D O P</b><br><b>Title X</b> Director Officer Officer                                                              | dividuals having knowledge<br>proration's business activitie | 25                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Note: Sections 13 and 14 of the Corporations Inform                                                                  |                                                              |                     | eading statements or omissions.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

| of corporation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| of corporation           1       X       Canadian-controlled Private (CCPC) all year (Generally a private corporation of which 50% or more shares are owned by Canadian residents.) (fed.s. 125(7)(b))         2       Other Private         3       Public         4       Non-share Capital         5       Other (specify) ▼         Share Capital with full voting rights owned by Canadian Residents         100       %         Image: Share Capital with full voting rights owned by Canadian Residents         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 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       < | <ul> <li>This is the first year filing after incorporation or an amalgamation (If checked, attach Ontario Schedule 24.)</li> <li>Amended Return</li> <li>Taxation year end change – Canada Revenue Agency approval required</li> <li>Final taxation year up to dissolution (<i>Note: for discontinued businesses, see guide.</i>)</li> <li>Final taxation year before amalgamation</li> <li>The corporation has a floating fiscal year end</li> <li>There has been a transfer or receipt of asset(s) involving a corporat having a Canadian permanent establishment outside Ontario</li> <li>There was an acquisition of control to which subsection 249(4) of the federal <i>Income Tax Act</i> (ITA) applies since the previous taxation year</li> <li>If checked, date control was acquired</li> <li>Year month dation (If checked, attach Ontario Schedule 24.)</li> <li>The corporation was involved in a transaction where all or substantiatil all (90% or more) of the assets of a non-arm's length corporation we 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 24.)</li> <li>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.)</li> <li>First year filing of a parent corporation of payments for certain electricity corporation's Federal T2 Return been filed with the Canada Revenue Agency?</li> <li>Are you requesting a refund due to:         <ul> <li>M as the corporation is Federal T2 Return been filed with the Canada Revenue Agency?</li> <li>Are you a member of a Partnership or Joint Venture?</li> </ul> </li> <li>Complete if applicable     <ul> <li>Ontario Employer Health Tax Account no. (Use head office no.)</li> </ul> </li></ul> |

Ontario Corporations Tax Account No. (MOF) Taxation Year End

Corporation's Legal Name

# Income Tax

## CT23 Page 4 of 20

| Allocation – If you carry on a business to portion of taxable income deemed earned  | through a permanent establishment in a judicial in that jurisdiction (s.3)        |                                               | Ontario, you may allocate                           | that                                  | DOLLARS ONLY |
|-------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------------|---------------------------------------|--------------|
| Net Income (loss) for Ontario purposes (                                            | per reconciliation schedule, page 15)                                             |                                               |                                                     | <u>+</u> From                         | 690 46,748 • |
| Subtract: Charitable donations                                                      |                                                                                   |                                               |                                                     |                                       | 1            |
| Subtract: Gifts to Her Majesty in right of                                          | Canada or a province and gifts of cultura                                         | I property (Attach sc                         | chedule 2) -                                        |                                       | 2            |
| Subtract: Taxable dividends deductible, p                                           | per federal Schedule 3 -                                                          |                                               |                                                     |                                       | 3            |
| Subtract: Ontario political contributions (A                                        | Attach Schedule 2A) (Int.B. 3002R)                                                |                                               |                                                     |                                       | 4            |
| Subtract: Federal Part VI.1 tax                                                     | • × 3                                                                             |                                               |                                                     |                                       | 5            |
| Subtract: Prior years' losses applied –                                             | Non-capital losses<br>From 715                                                    | inclu                                         | usion                                               | From                                  | •            |
|                                                                                     | Net capital losses (page 16)                                                      | • × rate                                      |                                                     | = _                                   | 714          |
|                                                                                     | Farm losses                                                                       |                                               |                                                     | <u> </u>                              | 724          |
|                                                                                     | Restricted farm losses -                                                          |                                               |                                                     | <u> </u>                              | 734          |
|                                                                                     | Limited partnership losses                                                        |                                               |                                                     | <u> </u>                              | 754          |
| Taxable Income (Non-capital loss)                                                   |                                                                                   |                                               |                                                     | =                                     | 10 46,748 •  |
| Addition to taxable income for unused for                                           | reign tax deduction for federal purposes                                          |                                               | + 11                                                |                                       |              |
|                                                                                     | 11 (if 10 is negative, enter 11 )                                                 |                                               | = 20                                                | 46,748                                |              |
|                                                                                     |                                                                                   |                                               | Number of Days in Tax                               | ation Year                            |              |
| Taxable Income                                                                      |                                                                                   |                                               | Days after Dec. 31, 2002<br>and before Jan. 1, 2004 | Total Days                            |              |
| From 10 (or 20 if applicable)                                                       | 46,748 • X 30 100.0000 %<br>Ontario Allocation                                    | x 12.5 % x                                    | 33 ÷ 73                                             |                                       | 29           |
| From 10 (or 20 if applicable)                                                       | 46,748 • <sup>x</sup> 30 100.0000 %                                               | x 14 % X                                      | Days after Dec. 31, 2003                            | Total Days                            | 32 6,545 •   |
| Income Tax Payable (before deduct                                                   | Ontario Allocation                                                                |                                               |                                                     |                                       | 40 6,545 •   |
|                                                                                     |                                                                                   |                                               |                                                     |                                       |              |
| Incentive Deduction for Smal                                                        | II Business Corporations (IDS                                                     | SBC) (s.41)                                   |                                                     |                                       |              |
| If this section is not completed, the l                                             | DSBC will be denied.                                                              |                                               |                                                     |                                       |              |
| Did you claim the federal Small Busin<br>federal Small Business Deduction ha        | ness Deduction (fed.s.125(1)) in the ta<br>d the provisions of fed.s.125(5.1) not |                                               |                                                     |                                       | X Yes No     |
| * Income from active business carried or                                            | n in Canada for federal purposes (fed.s.1                                         | 25(1)(a)) -                                   | 50                                                  | 46,748 .                              |              |
| Federal taxable income, less adjustment                                             | for foreign tax credit (fed.s.125(1)(b))                                          | + 51 4                                        | 46,748 •                                            |                                       |              |
| Add: Losses of other years deducted                                                 | d for federal purposes (fed.s.111)                                                | + 52                                          | •                                                   |                                       |              |
| Subtract: Losses of other years deducted                                            | d for Ontario purposes (s.34)                                                     | _ 53                                          | •                                                   |                                       |              |
|                                                                                     |                                                                                   | =                                             | 46,748 • 54                                         | 46,748 •                              |              |
| Federal Business limit (line 410 of the T2 before the application of fed.s.125(5.1) | 2 Return) for the year                                                            | 55 4                                          | 00,000 •                                            |                                       |              |
| Ontario Business Limit Calculation                                                  |                                                                                   |                                               |                                                     |                                       |              |
| Days after Dec. 31, 2002<br>and before Jan. 1, 2004                                 |                                                                                   |                                               |                                                     |                                       |              |
| **                                                                                  | 366 = + 46                                                                        |                                               |                                                     |                                       |              |
| Days after Dec. 31, 2003                                                            |                                                                                   | Percentage of F                               | Federal                                             |                                       |              |
| 400,000 x <u>34 366</u> ÷ ** 3                                                      | <b>366</b> = + <b>47</b> ●                                                        | Business lir<br>(from T2 Schedu<br>Enter 100% | ule 23).                                            |                                       |              |
| Business Limit                                                                      |                                                                                   | not associate                                 |                                                     |                                       |              |
| for Ontario purposes 46 + 47                                                        | = 44 500,000 •                                                                    | x 48 100.00                                   | 000 % = 45                                          | 500,000 🖕                             |              |
| Income eligible for the IDSBC                                                       | Fro                                                                               |                                               | 000 % x 56<br>Allocation Least c                    | $46,748 \bullet =$                    |              |
|                                                                                     |                                                                                   |                                               |                                                     | · · · · · · · · · · · · · · · · · · · |              |

\* Note: Modified by s.41(6) and (7) for corporations that are members of a partnership. (Refer to Guide.)

\*\* Note: Adjust accordingly for a floating taxation year and use 366 for a leap year.

\*\*\* Note: Ontario Allocation for IDSBC purposes may differ from 30 if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).

continued on Page 5

| Corporation's Legal Name                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Ontario Corporations Tax Account No. (MOF)                       | Taxation Year End                                                             | СТ23         | Page 5 of 20                                                |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|-------------------------------------------------------------------------------|--------------|-------------------------------------------------------------|
| HYDRO 2000 INC.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 1800109                                                          | 2008-12-31                                                                    |              | DOLLARS ONLY                                                |
| Income Tax continued from Page 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                  |                                                                               |              |                                                             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                  | er of Days in Taxation Year<br>er Dec. 31, 2002<br>re Jan. 1, 2004 Total Days |              |                                                             |
| Calculation of IDSBC Rate                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 7 % X <u>31</u><br>Days aft                                      | ÷ 73 366<br>er Dec. 31, 2003 Total Days                                       | = + 89       |                                                             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 8.5 % × 34                                                       | <u>366</u> ÷ 73 <u>366</u> =                                                  | = + 90       | 8.5000                                                      |
| IDSBC Rate for Taxation Year 89 + 90                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                  |                                                                               | = 78         | 8.5000                                                      |
| Claim From                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | m 60 46,748 • X From 78                                          | 8.5000 %                                                                      | = 70         | 3,974 •                                                     |
| Corporations claiming the IDSBC must complete the Surta:<br>(or if associated, the associated group's taxable income) is                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                  | e<br>in 114 below.                                                            |              |                                                             |
| Surtax on Canadian-controlled Private Co                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | rporations (s.41.1)                                              |                                                                               |              |                                                             |
| Applies if you have claimed the Incentive Deduction for Sn                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                  |                                                                               |              |                                                             |
| Associated Corporation - The Taxable Income of associated for the taxation year ending on or before the date of this correct the taxation year ending on or before the date of the taxation year ending on the taxable income of the taxable income of the taxable income of the taxable income of taxable i |                                                                  |                                                                               |              |                                                             |
| *Taxable Income of the corporation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | From 1                                                           | 0 (or 20 if applicable)                                                       | + 80         | 46,748 🛛                                                    |
| If you are a member of an associated group (X)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 81 (Yes)                                                         |                                                                               |              |                                                             |
| Name of associated corporation (Canadian & foreign) (if insufficient space, attach schedule)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Ontario Corporations Tax<br>Account No. (MOF)<br>(if applicable) | Taxation Year End                                                             |              | <ul> <li>Taxable Income<br/>(if loss, enter nil)</li> </ul> |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                  |                                                                               | + 82<br>+ 83 | •                                                           |
| Aggregate Tayable Income 80 + 82 + 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 33 + 84 etc                                                      |                                                                               | + 84         | 46,748 •                                                    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                  |                                                                               | = 85         | 40,740                                                      |
| Number of Days in Taxatio<br>Days after Dec. 31, 2002<br>and before Jan. 1, 2004 To                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | on Year<br>otal Days                                             |                                                                               |              |                                                             |
| 320,000 × 31 ÷ 73                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <u>366</u> = + 115                                               |                                                                               |              |                                                             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | otal Days                                                        |                                                                               |              |                                                             |
| 400,000 × 34 366 ÷ 73                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <u>366</u> = + <u>116</u>                                        |                                                                               |              |                                                             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | + 116 = 500,000 • ►                                              |                                                                               | - 114        | 500,000 •                                                   |
| (If negative, enter nil)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                  |                                                                               | = 86         | •                                                           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                  | er of Days in Taxation Year<br>er Dec. 31, 2002 Total Days                    |              |                                                             |
| Calculation of Specified Rate for Surtax                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 4.6670 % X 38                                                    |                                                                               | + 97         | 4.2500                                                      |
| From 86                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | • X From 97 4.2500 %                                             |                                                                               | 87           | •                                                           |
| From 87                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | • X From 60 46,748 • ÷ From                                      | <u>    114                               </u>                                 | 88           | •                                                           |
| Surtax Lesser of 70 or 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.

DOLLARS ONLY

| 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 de by regulations.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | termined                              |
| Eligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, depletion and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If you are claiming 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 r processing, mining, farming, logging or fishing is 20% or less of the total active business income and b) the total active business income is                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                       |
| Eligible Canadian Profits                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 120                                   |
| Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | From 56 46,748                        |
| Add: Adjustment for Surtax on Canadian-controlled private corporations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                       |
| $ \begin{array}{c c} From \\ \hline 100 \\ \hline 100 \\ \hline \end{array} \\ \bullet \end{array} \\ \div \end{array} \\ \begin{array}{c c} From \\ \hline 30 \\ \hline 100.0000 \\ \hline \end{array} \\ \% \\ \div \\ \hline \end{array} \\ \begin{array}{c c} From \\ \hline 78 \\ \hline \end{array} \\ \hline 8.5000 \\ \hline \% \\ \end{array} \\ \end{array} \\ = \hline \begin{array}{c c} 121 \\ \hline \bullet \end{array} \\ \bullet \end{array} $                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                       |
| Lesser of 56 or 121+                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 122                                   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 130                                   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                       |
| Taxable Income                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | From 10 46,748                        |
| Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | From 56 46,748                        |
| Add: Adjustments for Surtax on Canadian-controlled private corporations + +                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | From 122                              |
| Subtract:       Taxable Income       10       46,748       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 after Dec. 31, 2002       and before Jan. 1, 2004       Total Days                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | = + 154                               |
| Lesser of 130 or 142 Optario Allocation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                       |
| Image: A state of the | = + 156                               |
| Lesser of $\begin{bmatrix} 130 \\ 130 \end{bmatrix}$ or $\begin{bmatrix} 142 \\ 142 \end{bmatrix}$ 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 sp                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | pecial rules (s.43(1))                |
| Manufacturing and Processing Profits Credit for Electrical Generating Corporations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | = 161                                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                       |
| Manufacturing and Processing Profits Credit for Corporations that Produce<br>and Sell Steam for uses other than the Generation of Electricity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | = 162                                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | - 102                                 |
| Credit for Foreign Taxes Paid (s.40)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 170                                   |
| 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 Busines Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the Business Development Corporations Act)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | ss Development<br>former <i>Small</i> |
| Eligible Credit 175 • Credit Claim                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | ned 180                               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                       |
| Subtotal of Income Tax 40 - 70 + 100 - 110 - 160 - 161 - 162 - 170 - 180                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | = 190 2,571                           |

continued on Page 7

| Corporation's Legal Name                                                                                                                                                                                        | Ontario Corporations Tax Account No. (MOF)                                                                                                     | Taxation Year End           | СТ23    | Page 7 of 20 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|---------|--------------|
| HYDRO 2000 INC.                                                                                                                                                                                                 | 1800109                                                                                                                                        | 2008-12-31                  |         | DOLLARS ONLY |
| Income Tax continued from Page 6                                                                                                                                                                                |                                                                                                                                                |                             |         |              |
| Specified Tax Credits (Refer to Guide)                                                                                                                                                                          |                                                                                                                                                |                             |         |              |
| Ontario Innovation Tax Credit (OITC) (s.<br>Eligible Credit From 5620 OITC Claim Form (Atta                                                                                                                     | <b>43.3)</b> <i>Applies</i> to scientific research and experimental devach original Claim Form)                                                | velopment in Ontario.       | + 191   | •            |
| Co-operative Education Tax Credit (CET<br>Eligible Credit From 5798 CT23 Schedule 113 (A                                                                                                                        | C) (s.43.4) Applies to employment of eligible students.ttach Schedule 113)                                                                     |                             | + 192   | •            |
| Ontario Film & Television Tax Credit (Ol<br>Applies to qualifying Ontario labour expenditures f<br>eligible Canadian content film and television produc                                                         | or Name of Production ctions. 204                                                                                                              |                             |         |              |
| Eligible Credit From 5850 of the Certificate of Elig<br>(Attach the original Certificate of Eligibility)                                                                                                        | jibility issued by the Ontario Media Development Corporati                                                                                     | ion (OMDC)                  | + 193   | •            |
| <b>Graduate Transitions Tax Credit (GTTC)</b><br><i>Applies</i> to employment of eligible unemployed pos<br>commencing prior to July 6, 2004 and expenditures<br>Eligible Credit From 6598 CT23 Schedule 115 (A | t secondary graduates, for employment [194]<br>s incurred prior to January 1, 2005.                                                            | of Graduates From 6596      | + 195   |              |
| Ontario Book Publishing Tax Credit (OB<br>Applies to qualifying expenditures in respect of elig                                                                                                                 | BPTC) (s.43.7)                                                                                                                                 |                             |         |              |
|                                                                                                                                                                                                                 | ttach <b>both</b> the original Claim Form and the Certificate of                                                                               | Eligibility)                | + 196   | •            |
| Ontario Computer Animation and Specie<br>Applies to labour relating to computer animation an<br>Eligible Credit From 6700 of the Certificate of Elig<br>(Attach the original Certificate of Eligibility)        |                                                                                                                                                | ion (OMDC)                  | + 197   |              |
| Ontario Business-Research Institute Tax<br>Applies to qualifying R&D expenditures under an e                                                                                                                    | eligible research institute contract.                                                                                                          |                             |         |              |
| Eligible Credit From 7100 OBRITC Claim Form (                                                                                                                                                                   |                                                                                                                                                |                             | + 198   | •            |
|                                                                                                                                                                                                                 | (OPSTC) (s.43.10)<br>for eligible productions where the OFTTC has not been cla<br>gibility issued by the Ontario Media Development Corporation |                             | + 199   |              |
| Ontario Interactive Digital Media Tax Cro                                                                                                                                                                       | edit (OIDMTC) (s.43.11)                                                                                                                        |                             |         |              |
|                                                                                                                                                                                                                 | e products for the taxation year.<br>jibility issued by the Ontario Media Development Corporati                                                | ion (OMDC)                  |         |              |
| (Attach the original Certificate of Eligibility)                                                                                                                                                                |                                                                                                                                                |                             | + 200   | •            |
| <b>Ontario Sound Recording Tax Credit (O</b><br><b>Applies</b> to qualifying expenditures in respect of eligible Credit From 7500 OSRTC Claim Form (A                                                           |                                                                                                                                                | Eligibility) -              | + 201   | •            |
| Apprenticeship Training Tax Credit (AT<br>Applies to employment of eligible apprentices.                                                                                                                        | 202                                                                                                                                            | b. of Apprentices From 5896 |         |              |
| Eligible Credit From 5898 CT23 Schedule 114 (A<br>Other (specify)                                                                                                                                               | ttach Schedule 114)                                                                                                                            |                             | + 203 _ | •            |
|                                                                                                                                                                                                                 |                                                                                                                                                |                             |         | •            |
|                                                                                                                                                                                                                 | + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 2                                                                                                  | 201 + 203 + 203.1           | = 220   | •            |
| Specified Tax Credits Applied to reduce In                                                                                                                                                                      | ncome lax                                                                                                                                      |                             | = 225   | •            |
|                                                                                                                                                                                                                 | if reporting Non-Capital Loss (amount cannot be negative                                                                                       |                             | = 230   | 2,571 •      |
|                                                                                                                                                                                                                 | CMT) is applicable to your Corporation, see <b>Determinatio</b><br>amount in 230 to Income Tax in <b>Summary</b> section on                    |                             |         |              |

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)**

| CT23 Page 8 | of | 20 |
|-------------|----|----|
|-------------|----|----|

|                                                                                                                                                         |                                                                  |                   |                            | DOLLARS ONLY    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|-------------------|----------------------------|-----------------|
| Total Assets of the corporationTotal Revenue of the corporation                                                                                         |                                                                  |                   | + 240 1,976,318 +          | 241 2,304,332 • |
| 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)<br>(if insufficient space attach schedule)                                                          | Ontario Corporations Tax<br>Account No. (MOF)<br>(if applicable) | Taxation Year End | Total Assets               | Total Revenue   |
|                                                                                                                                                         |                                                                  |                   | + 243 + [                  | 244             |
|                                                                                                                                                         |                                                                  |                   |                            | 246             |
| Aggregate Total Assets 240 + 243 + 245 +                                                                                                                | 247 , etc                                                        |                   | + 247<br>= 249 1,976,318 • | <u></u>         |
| Aggregate Total Revenue 241 + 244 + 246 +                                                                                                               | 248 , etc                                                        |                   | = [                        | 250 2,304,332 • |
| Determination of Applicability                                                                                                                          |                                                                  |                   |                            |                 |

#### **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.)

| Gros                         | MT Payable CMT Base From Schedule 101 2136<br>If negative, enter zero X From 30 100.0000 % X 4 % = 276<br>Ontario Allocation                                                                                                                                                                                                                  | •                                     |
|------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
|                              | I:: Foreign Tax Credit for CMT purposes (Attach Schedule)       -       -       -       -       -       277         I:: Income Tax       -       -       -       -       -       -       -       -       -       190                                                                                                                          | •<br>2,571 •                          |
| Net                          | <b>IT Payable</b> (If negative, enter Nil on Page 17.) = 280                                                                                                                                                                                                                                                                                  | •                                     |
| If 2<br>If 2<br>If 2<br>Cred | is less than zero and you have a CMT credit carryover, complete A & B below.                                                                                                                                                                                                                                                                  |                                       |
|                              | redit Carryover available From Schedule 101 From 2333                                                                                                                                                                                                                                                                                         | •                                     |
| А.                           | ncome Tax (before deduction of specified credits) + From 276<br>subtract: Foreign Tax Credit for CMT purposes From 277<br>276 - 277 is negative, enter NIL in 290 =                                                                                                                                                                           | 2,571 •<br>2,571 •                    |
| В.                           | come Tax (after deduction of specified credits)       -       -       -       -       +       From 230         ubtract: CMT credit used to reduce income taxes       -       -       -       -       310         come Tax       -       -       -       -       -       310         ransfer       -       -       -       -       -       320 | 2,571 •<br>•<br>2,571 •<br>to page 17 |
|                              | apply, 310 cannot exceed the lesser of 230 , 300 and your CMT credit carryover available 2333 .<br>B applies, 310 cannot exceed the lesser of 230 and your CMT credit carryover available 2333 .                                                                                                                                              |                                       |

| Corporatio                                  | n's Legal Name                                                                                                                                                                                                                    | Ontario Corporations T                                                                                      | ax Account No. (MOF)                                                                                                                               | Taxation Year End                                                                              | CT23                                                             | Page 9 of 20                                      |
|---------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|------------------------------------------------------------------|---------------------------------------------------|
| HYDRO                                       | 2000 INC.                                                                                                                                                                                                                         | 1800109                                                                                                     |                                                                                                                                                    | 2008-12-31                                                                                     |                                                                  | DOLLARS ONLY                                      |
| Capital                                     | Tax (Refer to Guide and Int.B. 3011)                                                                                                                                                                                              | र)                                                                                                          |                                                                                                                                                    |                                                                                                |                                                                  |                                                   |
| 430 on pa<br>If your corp                   | oration is a Financial Institution (s.58(2)),<br>ge 10 then proceed to page 13.<br>oration is not a member of an associated                                                                                                       | group and/or partne <u>rship</u>                                                                            | adjusted by adding the<br>and by deducting inve<br>corporation's balance                                                                           | stments in the partner sheet, in addition to a                                                 | ship as it appears                                               | on the<br>adjustments                             |
| and 430<br>Tax for the<br>A corporation     | ess Revenue and Total Assets as calcula<br>are both \$3,000,000 or less, your corpor<br>taxation year, except for a branch of a n<br>on that meets these criteria should disreg<br>including the calculation of Taxable Capit     | ation is exempt from Capital<br>on-resident corporation.<br>ard all other Capital                           | (s.61(5)). Special rule<br>Any Assets and liabilit<br>venture must be includ<br>liabilities when calcula                                           | ies of a corporation th<br>ded along with the cor<br>ting its Taxable Paid-                    | at are being utilize<br>poration's other As<br>up Capital.       | d in a joint<br>ssets and                         |
| on page 12                                  | and complete the return from that point.<br>eir Taxable Capital in order to determine                                                                                                                                             | All other corporations must                                                                                 | Special rules and rate s.69(3)).                                                                                                                   |                                                                                                |                                                                  |                                                   |
| all financial<br>a member.<br>share of liab | a partnership (limited or general) or a joi<br>statements of each partnership or joint ve<br>The Paid-up Capital of each corporate pa<br>ilities that would otherwise be included if<br>n. If Investment Allowance is claimed, To | enture of which they are<br>rtner must include its<br>the partnership were                                  | Paid-up Capital of N<br>a non-resident subject<br>business is not carr<br>of (1) taxable Income<br>Canada minus certain<br>s.63(1)(a) (Int.B. 3010 | to tax by virtue of s.2<br>ed on solely in Can<br>in Canada divided by<br>indebtedness in acco | (2)(a) or 2(2)(b), a<br>ada is deemed to<br>8 percent or (2) tot | nd whose<br>be the <b>greater</b><br>al assets in |
| Paid-up                                     | Capital                                                                                                                                                                                                                           |                                                                                                             |                                                                                                                                                    |                                                                                                |                                                                  |                                                   |
| Paid-up cap                                 | ital stock (Int.B. 3012R and 3015R)                                                                                                                                                                                               |                                                                                                             |                                                                                                                                                    |                                                                                                | + 350                                                            | 308,735 •                                         |
|                                             | rnings (if deficit, deduct) (Int.B. 3012R)                                                                                                                                                                                        |                                                                                                             |                                                                                                                                                    |                                                                                                | <u>+</u> 351                                                     | 419,054 •                                         |
|                                             | other surpluses, excluding appraisal surpluses                                                                                                                                                                                    | olus (Int.B.3012R) -                                                                                        |                                                                                                                                                    |                                                                                                |                                                                  |                                                   |
|                                             | advances (Attach schedule) (Int.B. 3013F                                                                                                                                                                                          |                                                                                                             |                                                                                                                                                    |                                                                                                |                                                                  | •                                                 |
|                                             | (Int.B. 3013R)                                                                                                                                                                                                                    | ·/                                                                                                          |                                                                                                                                                    |                                                                                                |                                                                  |                                                   |
|                                             | · ,                                                                                                                                                                                                                               |                                                                                                             |                                                                                                                                                    |                                                                                                |                                                                  | •                                                 |
|                                             |                                                                                                                                                                                                                                   |                                                                                                             |                                                                                                                                                    |                                                                                                |                                                                  | •                                                 |
|                                             | bayable (Int.B. 3013R)                                                                                                                                                                                                            |                                                                                                             |                                                                                                                                                    |                                                                                                |                                                                  | •                                                 |
|                                             | <b>,</b>                                                                                                                                                                                                                          |                                                                                                             |                                                                                                                                                    |                                                                                                | + 358                                                            |                                                   |
| Lien notes p                                | payable (Int.B. 3013R)                                                                                                                                                                                                            |                                                                                                             |                                                                                                                                                    |                                                                                                | + 300                                                            | •                                                 |
|                                             | edits (including income tax reserves, and<br>in paid-up capital for the purposes of the                                                                                                                                           |                                                                                                             |                                                                                                                                                    |                                                                                                | + 359                                                            | •                                                 |
| Contingent,                                 | investment, inventory and similar reserve                                                                                                                                                                                         | es (Int.B. 3012R) -                                                                                         |                                                                                                                                                    |                                                                                                | + 360                                                            | •                                                 |
| Other reserv                                | ves not allowed as deductions for income                                                                                                                                                                                          | tax purposes (Attach schedule                                                                               | ) (Int.B. 3012R)                                                                                                                                   |                                                                                                | + 361                                                            | •                                                 |
| Share of pa                                 | rtnership(s) or joint venture(s) paid-up ca                                                                                                                                                                                       | pital ( <i>Attach schedule(s</i> )) (Int.B                                                                  | . 3017R) -                                                                                                                                         |                                                                                                | + 362                                                            | •                                                 |
| Subtotal                                    |                                                                                                                                                                                                                                   |                                                                                                             | ·                                                                                                                                                  |                                                                                                | = 370                                                            | 727,789                                           |
| Subtract:                                   | Amounts deducted for income tax purp<br>(Retain calculations. Do not submit.) (                                                                                                                                                   |                                                                                                             | ked                                                                                                                                                |                                                                                                | 371                                                              |                                                   |
|                                             | Deductible R & D expenditures and OI                                                                                                                                                                                              |                                                                                                             | tax                                                                                                                                                |                                                                                                | 0.1                                                              |                                                   |
|                                             | if not already deducted for book purpos                                                                                                                                                                                           |                                                                                                             |                                                                                                                                                    |                                                                                                | 372                                                              | •                                                 |
| Total Paid-                                 | up Capital                                                                                                                                                                                                                        |                                                                                                             |                                                                                                                                                    |                                                                                                | = 380                                                            | 727,789 •                                         |
| Subtract:                                   | Deferred mining exploration and develo                                                                                                                                                                                            | opment expenses (s.62(1)(d)) (l                                                                             | nt.B. 3015R)                                                                                                                                       |                                                                                                | 381                                                              | •                                                 |
|                                             | <b>Electrical Generating Corporations</b><br>to the extent that they have been deduc<br>for the current or any prior taxation yea<br><i>Corporations Tax Act</i> , and the assets                                                 | cted by the corporation in compu-<br>r, that are deductible by the corp<br>are used both in generating elec | uting its income for incor<br>poration under clause 11                                                                                             | ne tax purposes<br>(10)(a) of the                                                              | 202                                                              |                                                   |
| Not Date                                    | energy source and are qualifying prope                                                                                                                                                                                            | , , , ,                                                                                                     |                                                                                                                                                    |                                                                                                | 382                                                              |                                                   |
| Net Paid-                                   | up Capital                                                                                                                                                                                                                        |                                                                                                             |                                                                                                                                                    |                                                                                                | = 390                                                            | 727,789 •                                         |

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

### Capital Tax continued from Page 9

Total Assets (Int.B. 3015R)

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DOLLARS ONLY

| Total Assets per balance sheet                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | + 420 1,976,318 • |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| Mortgages or other liabilities deducted from assets                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | + 421             |
| Share of partnership(s)/joint venture(s) total assets (Attach schedule)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | + 422 •           |
| Subtract: Investment in partnership(s)/joint venture(s)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | - 423 •           |
| Total Assets as adjusted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | = 430 1,976,318 • |
| 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)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <u>+</u> 443      |
| Total Assets                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | = 450 1,976,318 . |
| Investment Allowance (410 ÷ 450) × 390 Not to exceed 410                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | = 460             |
| Taxable Capital         390         460                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | = 470 727,789     |
| Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue) [480]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 2,304,332 •       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                   |
| Total Assets (as adjusted)           From         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430         430 <t< td=""><td>1,976,318 •</td></t<> | 1,976,318 •       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                   |

# Calculation of Capital Tax for all Corporations except Financial Institutions

**Note:** This version (2007) of the CT23 may only be used for a taxation year that commenced after December 31, 2004. Financial Institutions use calculations on page 13.



If the corporation is a family farm corporation, family fishing corporation or a credit union that is not a Financial Institution, complete only Section A below.

- **OR** If the corporation is **not** a member of an associated group and/or partnership, complete Section B below, then review only the Capital Tax calculations in Section C on page 11, selecting and completing the one specific subsection (e.g. C3) that applies to the corporation.
- **OR** If the corporation **is** a member of an associated group and/or partnership, complete Section B below and Section D on page 11, and if applicable, complete Section E or Section F on page 12. Note: if the corporation is a member of a connected partnership, please refer to the CT23 Guide for additional instructions before completing the Capital Tax section.

#### SECTION A

This section applies only if the corporation is a family farm corporation, a family fishing corporation or a credit union that is not a Financial Institution (Int.B. 3018).

Enter NIL in 550 on page 12 and complete the return from that point.

#### SECTION B

| <ol> <li>Calculation of Taxable Capital Deduction (TCD)</li> </ol>                  |                                                                |  |  |  |
|-------------------------------------------------------------------------------------|----------------------------------------------------------------|--|--|--|
|                                                                                     | Number of Days in Taxation Year                                |  |  |  |
|                                                                                     | Days after Dec. 31, 2004 Total Days<br>and before Jan. 1, 2006 |  |  |  |
| 7,500,000 >                                                                         |                                                                |  |  |  |
|                                                                                     | Days after Dec. 31, 2005 Total Days<br>and before Jan. 1, 2007 |  |  |  |
| 10,000,000 >                                                                        | ( <u>37</u> <u>+</u> 73 <u>366</u> = + 502                     |  |  |  |
|                                                                                     | Days after Dec. 31, 2006 Total Days<br>and before Jan. 1, 2008 |  |  |  |
| 12,500,000 >                                                                        |                                                                |  |  |  |
|                                                                                     | Days after Dec. 31, 2007 Total Days                            |  |  |  |
| 15,000,000 >                                                                        | $(39 366 \div 73 366) = + 505 15,000,000$                      |  |  |  |
| Taxable Capital Deduction (                                                         | <b>TCD</b> ) $501 + 502 + 504 + 505 = 503 15,000,000 $         |  |  |  |
| 2. This section applies to corporations to calculate the prorated capital tax rate. |                                                                |  |  |  |

| Calculation of Capital Tax Rate |             |     | Number of Days in Taxation Year<br>Days before Jan. 1, 2007 Total Days                         |
|---------------------------------|-------------|-----|------------------------------------------------------------------------------------------------|
|                                 | 0.3 %       | х   | $556 \qquad \div \boxed{73} \underbrace{366}_{\text{Table Dava}} = + \underbrace{511}_{\%} \%$ |
|                                 |             |     | Days after Dec. 31, 2006 Total Days<br>and before Jan. 1, 2009                                 |
|                                 | 0.225 %     | х   | $ 557 366 \div 73 366 = + 512 0.2250 \% $                                                      |
|                                 | Capital Tax | Rat | e 511 + 512 = 516 0.2250 %                                                                     |

continued on Page 11

| Corporation's Legal Name                        | Ontario Corporations Tax Account No. (MOF)                     | Taxation Year End | CT23 Page 11 of 20 |
|-------------------------------------------------|----------------------------------------------------------------|-------------------|--------------------|
| HYDRO 2000 INC.                                 | 1800109                                                        | 2008-12-31        | DOLLARS ONLY       |
| Capital Tax Calculation                         | continued from Page 10                                         |                   |                    |
| SECTION C                                       |                                                                |                   |                    |
| This section condition if the second section is | and a manufactor of an analysis to down and the manufactor bin |                   |                    |

|                                                                                            | n is not a member of an associated group and/or partnership.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>C1.</b> 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>C2.</b> If Taxable Capital in 470 is                                                    | s 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 e<br>and complete the return from t<br>+ From 470            | •                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| - From 503                                                                                 | <ul> <li>x From 30 100.0000 % x From 516 0.2250 % x Capital Tax Rate</li> <li>Days in taxation year</li> <li>555 366 = + 523 •</li> <li>Transfer to 543 on page 12 and floating taxation year, refer to Guide.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| SECTION D                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| This section applies ONLY to a corp<br>and/or partnership. You must check<br>or Section F. | oration that is a member of an associated group (excluding Financial Institutions and corporations exempt from Capital Tax)<br>either 509 or 524 and complete this section before you can calculate your Capital Tax Calculation under either Section E                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| D1. 509 (X if applicable)                                                                  | All corporations that you are associated with do <b>not</b> have a permanent establishment in Canada.<br>If Taxable Capital 470 on page 10 is equal to or less than the TCD 503 on page 10, enter NIL in 550<br>on page 12 and complete the return from that point.<br>If Taxable Capital 470 on page 10 exceeds the TCD 503 on page 10, proceed to <b>Section E</b> , 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 <b>maintains</b> a permanent establishment in Canada.<br>You and your associated group may continue to allocate the TCD by completing the<br>Calculation below. Or, the associated group <b>may file an election</b> under subsection 69(2.1)<br>of the <i>Corporations Tax Act</i> , whereby total assets are used to allocate the TCD among the<br>associated group. Once a ss.69(2.1) election is filed, all members of the group will then be<br>required to file in accordance with the election and allocate a portion (portion is henceforth<br>referred to as <b>Net Deduction</b> ) of the capital tax effect relating to the TCD to each<br>corporation in the group on the basis of the ratio that each corporation's total assets<br>multiplied by its Ontario allocation is to the total assets of the group.<br>The total asset amounts and Ontario allocation percentages to be used for this calculation<br>must be taken from each corporation is financial information from its last taxation year ending<br>in the immediately preceding calendar year.<br>In addition, although each corporation in the associated group may deduct its Net Deduction<br>amount as apportioned by the total asset formula, the group may, at the group's option,<br>reallocate the group's total Net Deduction among the group on what ever basis the corporate |
| D2. Calculation is on next page                                                            | 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| · · · · · · · · · · · · · · · · · ·                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

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# Capital Tax Calculation continued from Page 11

| <b>D2. Calculation</b> Do <b>not</b> complete this calculation if ss.69(2.1)                                                                                                                                         | ) election is filed                           |                                    |                                                          |                                                    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|------------------------------------|----------------------------------------------------------|----------------------------------------------------|
| Taxable Capital     From     470     on page 10     -     -     -                                                                                                                                                    |                                               |                                    |                                                          | + From 470                                         |
| Determine aggregate taxable capital of an associated group (<br>corporations exempt from capital tax) and/or partnership hav                                                                                         |                                               |                                    | anada                                                    |                                                    |
| Names of associated corporations (excluding Financial<br>Institutions and corporations exempt from Capital Tax)<br>having a permanent establishment in Canada<br>(if insufficient space, attach schedule)            | Ontario Corp<br>Account No.<br>(if applicable |                                    | Taxation Year End                                        | Taxable Capital                                    |
|                                                                                                                                                                                                                      |                                               |                                    |                                                          | + 531                                              |
|                                                                                                                                                                                                                      |                                               |                                    |                                                          | + 532<br>+ 533                                     |
| Aggregate Taxable Capital 470 + 531 + 532 + 533 , etc.                                                                                                                                                               |                                               |                                    |                                                          | - = 540                                            |
|                                                                                                                                                                                                                      |                                               |                                    |                                                          |                                                    |
| If 540 above is equal to or year, is NIL.                                                                                                                                                                            | less than the TCD [                           | 503 on page ?                      | 10, the corporatior                                      | n's Capital Tax for the taxation                   |
| Enter NIL in 523 in section                                                                                                                                                                                          |                                               |                                    |                                                          |                                                    |
| If <u>540</u> above is greater that<br>the TCD below in order to ca                                                                                                                                                  |                                               |                                    |                                                          | -                                                  |
| From 470 • ÷ From                                                                                                                                                                                                    | 540                                           | • X From 50                        | 13                                                       | • = 541                                            |
|                                                                                                                                                                                                                      |                                               |                                    |                                                          | Transfer to 542 in Section E b                     |
| Ss.69(2.1) Election Filed                                                                                                                                                                                            |                                               |                                    |                                                          |                                                    |
| 591       (X if applicable)       Election filed. Attach a copy of Sc.         Proceed to Section F below.                                                                                                           | hedule 591 with this C                        | T23 Return.                        |                                                          |                                                    |
| ECTION E                                                                                                                                                                                                             |                                               |                                    |                                                          |                                                    |
| is section applies if the corporation <b>is</b> a member of an associated gro<br>xable Capital $540$ above, exceeds the TCD $503$ on page 10.<br>mplete the following calculation and transfer the amount from $523$ | to $543$ , and complete                       |                                    |                                                          |                                                    |
| + From 470                                                                                                                                                                                                           |                                               |                                    | Days in taxation year                                    | Total Capital Tax t<br>the taxation year           |
| = 471 X From 30 100.0000 Ontario Alloca                                                                                                                                                                              |                                               | <u>2250</u> % × [<br>al Tax Rate * | 555         366           366         (366 if leap year) | = + 523<br>Transfer to 543 and comp                |
|                                                                                                                                                                                                                      | ·                                             |                                    |                                                          | the return from that p                             |
| ECTION F                                                                                                                                                                                                             |                                               |                                    |                                                          |                                                    |
| s section applies if a corporation is a member of an associated group                                                                                                                                                | and the associated gr                         | oup has filed a se                 | s.69(2.1) election                                       |                                                    |
| + From 470 X From 30 100.0000 %<br>Ontario Allocatio                                                                                                                                                                 |                                               | <u>250</u> %<br>Tax Rate           | =                                                        | + 561                                              |
| - Capital tax deduction from 995 relating to <b>your corporation</b>                                                                                                                                                 | <b>'s</b> Capital Tax deduction               | on, on Schedule &                  | 591                                                      | - From 995<br>= 562                                |
|                                                                                                                                                                                                                      |                                               | ys in taxation year                |                                                          | Total Capital Tax t<br>the taxation year           |
| pital Tax 562                                                                                                                                                                                                        | X555<br>* 360                                 | 366<br>(366 if leap year)          | )                                                        | Transfer to 543 and comp<br>the return from that p |
| floating taxation year, refer to Guide.                                                                                                                                                                              |                                               |                                    |                                                          |                                                    |
|                                                                                                                                                                                                                      |                                               |                                    |                                                          |                                                    |
| pital Tax before application of specified credits                                                                                                                                                                    | efer to Guide)                                |                                    |                                                          | = 543<br>- 546                                     |
| <b>pital Tax</b> $543 - 546$ (amount cannot be negative)                                                                                                                                                             |                                               |                                    |                                                          | = 550                                              |
| ntinued on Page 13                                                                                                                                                                                                   |                                               |                                    |                                                          | Transfer to Pag                                    |

| Corporation's Legal Name                                                                                                                                          | Ontario Corporations Tax Account No. (MOF)                                                                                                                 | Taxation Year End            | CT23 Page 13 of 20                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-------------------------------------|
| HYDRO 2000 INC.                                                                                                                                                   | 1800109                                                                                                                                                    | 2008-12-31                   | DOLLARS ONLY                        |
| Capital Tax continued from Page 12                                                                                                                                |                                                                                                                                                            |                              |                                     |
| Calculation of Capital Tax for Financial                                                                                                                          | nstitutions                                                                                                                                                |                              |                                     |
| <b>1.1 Credit Unions only</b><br>For taxation years commencing <b>after May 4, 1999</b> 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 50                                                                                                           | and 570. Do not submit with this tax return.)                                                                                                              |                              |                                     |
| 565x567%Lesser of adjusted<br>Taxable Paid Up Capital<br>and Basic Capital Amount<br>in accordance with<br>                                                       | Days in taxa<br>x From 30 100.0000 % x 555 36d<br>(1) Ontario Allocation * 366 (366                                                                        | •                            | + 569                               |
| 570x571%Adjusted Taxable<br>Paid Up Capital<br>in accordance with<br>Division B.1 in excess<br>of Basic Capital AmountCapital Tax Rate<br>(Refer to Guide)        | X         From 30         100.0000         %         X         555         36           (2)         Ontario Allocation         *         366         (366) |                              | + 574                               |
| Capital Tax for Financial Institutions – other<br>* If floating taxation year, refer to Guide.                                                                    |                                                                                                                                                            | 569 + 574                    | = 575                               |
| 2. Small Business Investment Tax Credit<br>(Retain details of eligible investment calculation and, if cl<br>the credit issued in accordance with the Community Sm | laiming an investment in CSBIF, retain the original lea                                                                                                    |                              |                                     |
| Allowable Credit for Eligible Investments<br>Financial Institutions: Claiming a tax credit for investmen                                                          | t in Community Small Business Investment Fund (C                                                                                                           | SBIF)? (X) Yes               | - 585                               |
| Capital Tax - Financial Institutions 575 –                                                                                                                        | 585                                                                                                                                                        |                              | = 586<br>Transfer to 543 on Page 12 |
| Premium Tax (s.74.2 & 74.3) (Refer to Gu                                                                                                                          | iide)                                                                                                                                                      |                              |                                     |
| (1) Uninsured Benefits Arrangements                                                                                                                               | [587]                                                                                                                                                      | • X 2%                       | = 588                               |
| <ul><li>(2) Unlicensed Insurance (enter premium tax payable i<br/>(1) above, add both taxes together and enter total ta</li></ul>                                 |                                                                                                                                                            | ons. If subject to tax under |                                     |
| <b>Applies</b> to Insurance Brokers and other persons pl unlicensed insurers.                                                                                     | acing insurance for persons resident or property situ                                                                                                      | ated in Ontario with         |                                     |
| Deduct: Specified Tax Credits applied to reduce premiu                                                                                                            | m tax (Refer to Guide)                                                                                                                                     |                              | - 589                               |
| Premium Tax 588 – 589                                                                                                                                             |                                                                                                                                                            |                              | = 590<br>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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |          | <u>+</u> 600 | 46,748 •<br>Transfer to Page 15 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|--------------|---------------------------------|
| Add:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |          |              |                                 |
| Federal capital cost allowance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | + 601    | 31,402 •     |                                 |
| Federal cumulative eligible capital deduction                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | + 602    | 155 •        |                                 |
| Ontario taxable capital gain                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | + 603    | •            |                                 |
| Federal non-allowable reserves. Balance beginning of year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | + 604    | •            |                                 |
| Federal allowable reserves. Balance end of year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | + 605    | •            |                                 |
| Ontario non-allowable reserves. Balance end of year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | + 606    | •            |                                 |
| Ontario allowable reserves. Balance beginning of year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | + 607    | •            |                                 |
| Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | + 608    | •            |                                 |
| Federal resource allowance (Refer to Guide)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | + 609    | •            |                                 |
| Federal depletion allowance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | + 610    | •            |                                 |
| Federal foreign exploration and development expenses                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | + 611    | •            |                                 |
| Crown charges, royalties, rentals, etc. deducted for Federal purposes (Refer to Guide)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | + 617    | •            |                                 |
| Management fees, rents, royalties and similar payments to non-arms' length non-residents                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |          |              |                                 |
| Number of Days in Taxation Year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |          |              |                                 |
| Days after<br>Dec. 31, 2002 and                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |          |              |                                 |
| $\begin{bmatrix} before Jan. 1, 2004 & Total Days \\ 612 & \bullet X & 5 / 12.5 & 33 & \div 73 & 366 \\ \end{bmatrix} = + \begin{bmatrix} 633 \\ \bullet \end{bmatrix} \bullet$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |          |              |                                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | -        |              |                                 |
| Days after<br>Dec. 31, 2003 Total Days                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |          |              |                                 |
| $\begin{array}{c ccccccccccccccccccccccccccccccccccc$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <u> </u> |              |                                 |
| 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | . =      | 31,557 • 640 | 31,557 •<br>Transfer to Page 15 |
| Deduct:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |          |              |                                 |
| Ontario capital cost allowance (excludes amounts deducted under 675)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | + 650    | 31,402 •     |                                 |
| Ontario cumulative eligible capital deduction                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | + 651    | 155 •        |                                 |
| Federal taxable capital gain     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     -     - | + 652    | 155          |                                 |
| Ontario non-allowable reserves. Balance beginning of year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | + 653    | •            |                                 |
| Ontario allowable reserves. Balance end of year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | + 654    | •            |                                 |
| Federal non-allowable reserves. Balance end of year     -     -     -     -     -     -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | + 655    | •            |                                 |
| Federal allowable reserves. Balance beginning of year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | - + 656  | •<br>        |                                 |
| Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) ( <i>Retain calculations. Do not submit.</i> )                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | + 657    | •            |                                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | + 658    | •            |                                 |

| Ontario capital cost allowance (excludes amounts deducted under      | 675 )            |                     | - +[ | 650 31,402 •        |
|----------------------------------------------------------------------|------------------|---------------------|------|---------------------|
| Ontario cumulative eligible capital deduction                        |                  |                     | - +[ | 651 155 •           |
| Federal taxable capital gain                                         |                  |                     | - +[ | 652                 |
| Ontario non-allowable reserves. Balance beginning of year            |                  |                     | - +[ | 653                 |
| Ontario allowable reserves. Balance end of year                      |                  |                     | - +[ | 654                 |
| Federal non-allowable reserves. Balance end of year                  |                  |                     | - +[ | 655                 |
| Federal allowable reserves. Balance beginning of year                |                  |                     | - +[ | 656                 |
| Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) (Re        | etain calculatio | ns. Do not submit.) | +    | 657                 |
| Ontario depletion allowance                                          |                  |                     | - +[ | 658                 |
| Ontario resource allowance (Refer to Guide)                          |                  |                     | - +[ | 659                 |
| Ontario current cost adjustment (Attach schedule)                    |                  |                     | - +[ | 661                 |
| CCA on assets used to generate electricity from natural gas, alterna | tive or renewa   | able resources.     | + [  | 675                 |
|                                                                      |                  |                     |      |                     |
| Subtotal of deductions for this page 650 to 659 + 661 +              | 675 -            |                     | - [  | 681 31,557 •        |
|                                                                      |                  |                     |      | Transfer to Page 15 |

continued on Page 15

| Corporation's Legal Name                                                                                                   | Ontario                                               | o Corporations Tax Account No. (MOF)                   | Taxation Year End | CT23 Page 15 of 20              |
|----------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|--------------------------------------------------------|-------------------|---------------------------------|
| HYDRO 2000 INC.                                                                                                            |                                                       | 1800109                                                | 2008-12-31        | DOLLARS ONLY                    |
| Reconcile net income (loss<br>for Ontario purposes if amo<br>continued from Page 14                                        |                                                       | ax purposes with net income                            | (loss)            |                                 |
| Net Income (loss) for federal income ta                                                                                    | ax purposes, per federal Sche                         | dule 1                                                 |                   | From <u>+</u> 600 <u>46,748</u> |
| Total of Additions on page 14                                                                                              |                                                       |                                                        |                   | From = 640 31,557 •             |
| Sub Total of deductions on page 14                                                                                         |                                                       | From                                                   | = 681 3           | 1,557 •                         |
| Deduct:                                                                                                                    |                                                       |                                                        |                   |                                 |
| Ontario New Technology Tax Ince<br>(Applies only to those corporations)                                                    |                                                       | ss than 100% in the current taxation year              | .)                |                                 |
| Capital Cost Allowance (Ontario) (Co<br>intellectual property deducted in the<br>ONTTI Gross-up deduction calcul           | CA) on prescribed qualifying<br>current taxation year | [662]                                                  | ,                 |                                 |
| Gross-up deduction calcul                                                                                                  |                                                       |                                                        |                   |                                 |
| From<br>662 X                                                                                                              | 100                                                   | - From 662                                             | = 663             | •                               |
| Fro                                                                                                                        | om 30 100.0000<br>Ontario Allocation                  |                                                        |                   |                                 |
| Workplace Child Care Tax Incenti<br>( <i>Applies</i> to eligible expenditures inc                                          |                                                       | .)                                                     |                   |                                 |
| Qualifying expenditures:                                                                                                   | 665                                                   | X 30 % X 100<br>From 30 100.0000                       | = 666             | •                               |
| Workplace Accessibility Tax Ince<br>( <i>Applies</i> to eligible expenditures inc                                          | urred prior to January 1, 2005                        | Ontario allocation                                     | = 668             | •                               |
| Qualifying expenditures:                                                                                                   | _                                                     | From 30 100.0000 Ontario allocation                    |                   |                                 |
| Number of Employees accommodate                                                                                            | ed 669                                                |                                                        |                   |                                 |
| Ontario School Bus Safety Tax In<br>( <i>Applies</i> to the eligible acquisition of<br>after May 4, 1999 and before Januar | f school buses purchased                              |                                                        |                   |                                 |
| Qualifying expenditures:                                                                                                   | ●                                                     | x 30 % x 100<br>From 30 100.0000<br>Ontario allocation | = 671             | •                               |
| Educational Technology Tax Ince<br>( <i>Applies</i> to eligible expenditures inc                                           |                                                       | .)                                                     |                   |                                 |
| Qualifying expenditures:                                                                                                   | •                                                     | x 15 % x 100<br>From 30 100.0000<br>Ontario allocation | = 673             | •                               |
| Ontario allowable business inves                                                                                           | tment loss                                            |                                                        | + 678             | •                               |
| Ontario Scientific Research Expe                                                                                           | nses claimed in year in 47                            | 77 from Ont. CT23 Schedule 161                         | + 679             | •                               |
| Amount added to income federall<br>federal form T661, line 454 or 455                                                      |                                                       |                                                        | + 677             | •                               |
| Total of other deductions allowed                                                                                          | I by Ontario (Attach scheduk                          | e)                                                     | + 664             | •                               |
| Total of Deductions 681 + 663                                                                                              | 3 + 666 + 668 + 671 + 67                              | 73 + 678 + 679 + 677 + 664                             | =3                | 1,557 • 680 <u>31,557 •</u>     |
| Net income (loss) for Ontar                                                                                                | io Purposes 600 +                                     | 640 - 680                                              |                   | = 690                           |

#### **Continuity of Losses Carried Forward**

DOLLARS ONLY

| .,                                                             |                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|----------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                | Non-Capital Losses<br>(1)                                                                                                                                                                                                                            | Total Capital<br>Losses                                                                                                                                                                                                                                                                                                                                                                                                                                  | Farm Losses                                                                                                                                                                                                                                                                                                                                                                       | Restricted Farm<br>Losses                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Listed Personal<br>Property Losses                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Limited Partnership<br>Losses (6)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| t Beginning of Year                                            | 700 (2)                                                                                                                                                                                                                                              | 710 (2)                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 720 (2)                                                                                                                                                                                                                                                                                                                                                                           | 730                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 740                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 750                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Current year's losses (7)                                      | 701                                                                                                                                                                                                                                                  | 711                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 721                                                                                                                                                                                                                                                                                                                                                                               | 731                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 741                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 751                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Losses from predecessor corporations (3)                       | 702                                                                                                                                                                                                                                                  | 712                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 722                                                                                                                                                                                                                                                                                                                                                                               | 732                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 752                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|                                                                | 703                                                                                                                                                                                                                                                  | 713                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 723                                                                                                                                                                                                                                                                                                                                                                               | 733                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 743                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 753                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 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<br>years to reduce<br>taxable income (5) | 706 (2) to Page 17                                                                                                                                                                                                                                   | 716 (2) to Page 17                                                                                                                                                                                                                                                                                                                                                                                                                                       | 726 (2) to Page 17                                                                                                                                                                                                                                                                                                                                                                | 736 (2) to Page 17                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 746                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| - (-)                                                          | 707                                                                                                                                                                                                                                                  | 717                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 727                                                                                                                                                                                                                                                                                                                                                                               | 737                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 747                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 757                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| t End of Year                                                  | 709 (8)                                                                                                                                                                                                                                              | 719                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 729                                                                                                                                                                                                                                                                                                                                                                               | 739                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 749                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 759                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|                                                                | t Beginning of Year<br>Current year's losses (7)<br>Losses from predecessor<br>corporations (3)<br>Utilized during the year<br>to reduce taxable income<br>Expired during the year<br>Carried back to prior<br>years to reduce<br>taxable income (5) | Non-Capital Losses<br>(1)         t Beginning of Year       700 (2)         Current year's losses (7)       701         Losses from predecessor<br>corporations (3)       702         Utilized during the year<br>to reduce taxable income       704 (2)         Expired during the year<br>to reduce taxable income       705         Carried back to prior<br>years to reduce<br>taxable income (5)       706 (2) to Page 17         Top       709 (6) | Non-Capital Losses<br>(1)Total Capital<br>Lossest Beginning of Year700 (2)710 (2)Current year's losses (7)701711Losses from predecessor<br>corporations (3)702712703713713Utilized during the year<br>to reduce taxable income704 (2)715 (2) (4)Expired during the year<br>to reduce taxable income705705Carried back to prior<br>years to reduce<br>taxable income (5)709 (8)719 | Non-Capital Losses<br>(1)Total Capital<br>LossesFarm Lossest Beginning of Year700 (2)710 (2)720 (2)Current year's losses (7)701711721Losses from predecessor<br>corporations (3)702712722703713723Utilized during the year<br>to reduce taxable income704 (2)715 (2) (4)724 (2)Expired during the year<br>to reduce taxable income705725Carried back to prior<br>years to reduce<br>taxable income (5)706 (2) to Page 17716 (2) to Page 17726 (2) to Page 17709 (8)719729 | Non-Capital Losses<br>(1)         Total Capital<br>Losses         Farm Losses         Restricted Farm<br>Losses           t Beginning of Year         700 (2)         710 (2)         720 (2)         730           Current year's losses (7)         701         711         721         731           Losses from predecessor<br>corporations (3)         702         712         722         732           Utilized during the year<br>to reduce taxable income         704 (2)         715 (2) (4)         724 (2)         734 (2) (4)           Expired during the year<br>to reduce taxable income         706 (2)         to Page 17         726 (2)         to Page 17           Carried back to prior<br>years to reduce<br>taxable income (5)         706 (2)         to Page 17         716 (2)         to Page 17         736 (2)         to Page 17           707         717         727         737         737         737 | Non-Capital Losses<br>(1)         Total Capital<br>Losses         Farm Losses         Restricted Farm<br>Losses         Listed Personal<br>Property Losses           t Beginning of Year         700 (2)         710 (2)         720 (2)         730         740           Current year's losses (7)         701         711         721         731         741           Losses from predecessor<br>corporations (3)         702         712         722         732         743           Utilized during the year<br>to reduce taxable income         704 (2)         715 (2) (4)         724 (2)         734 (2) (4)         744 (4)           Expired during the year<br>to reduce taxable income<br>(5)         706 (2)         10 Page 17         726 (2)         1735         745           Carried back to prior<br>years to reduce<br>taxable income (5)         706 (2)         1716 (2)         10 Page 17         726 (2)         10 Page 17         746           707         717         727         737         747 |

#### Analysis of Balance at End of Year by Year of Origin

|       | Year of Origin<br>(oldest year first)<br>year month day | Non-Capital Losses | Non-Capital Losses<br>of Predecessor<br>Corporations | Total Capital Losses<br>from Listed Personal<br>Property only | Farm Losses | Restricted Farm<br>Losses |
|-------|---------------------------------------------------------|--------------------|------------------------------------------------------|---------------------------------------------------------------|-------------|---------------------------|
|       |                                                         |                    | •                                                    | Froperty only                                                 |             |                           |
| 800   | 9th preceding taxation year                             | 817 (9)            | 860 (9)                                              |                                                               | 850         | 870                       |
|       | 2000-12-31                                              |                    |                                                      |                                                               |             |                           |
| 801   | 8th preceding taxation year                             | 818 (9)            | 861 (9)                                              |                                                               | 851         | 871                       |
|       | 2001-09-30                                              |                    |                                                      |                                                               |             |                           |
| 802   | 7th preceding taxation year 2001-12-31                  | 819 (9)            | 862 (9)                                              |                                                               | 852         | 872                       |
|       | 2001-12-31<br>6th preceding taxation year               |                    |                                                      |                                                               |             |                           |
| 803   | 2002-12-31                                              | 820                | 830                                                  | 840                                                           | 853         | 873                       |
| 804   | 5th preceding taxation year                             | 821                | 831                                                  | 841                                                           | 854         | 874                       |
|       | 2003-12-31                                              |                    |                                                      |                                                               |             |                           |
| 805   | 4th preceding taxation year                             | 822                | 832                                                  | 842                                                           | 855         | 875                       |
|       | 2004-12-31                                              |                    |                                                      |                                                               |             |                           |
| 806   | 3rd preceding taxation year                             | 823                | 833                                                  | 843                                                           | 856         | 876                       |
|       | 2005-12-31                                              |                    |                                                      |                                                               |             |                           |
| 807   | 2nd preceding taxation year                             | 824                | 834                                                  | 844                                                           | 857         | 877                       |
|       | 2006-12-31                                              |                    |                                                      |                                                               |             |                           |
| 808   | 1st preceding taxation year                             | 825                | 835                                                  | 845                                                           | 858         | 878                       |
|       | 2007-12-31                                              |                    |                                                      |                                                               |             |                           |
| 809   | Current taxation year                                   | 826                | 836                                                  | 846                                                           | 859         | 879                       |
|       | 2008-12-31                                              |                    |                                                      |                                                               |             |                           |
|       |                                                         | 829                | 839                                                  | 849                                                           | 869         | 889                       |
| Total |                                                         |                    |                                                      |                                                               |             |                           |

#### 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))                               |                   |                    |
|-----------------------------|--------------------------------------------|-------------------|--------------------|
| HYDRO 2000 INC.             | 1800109                                    | 2008-12-31        | DOLLARS ONLY       |
| Corporation's Legal Name    | Untario Corporations Tax Account No. (MUF) | Taxation Year End | CT23 Page 17 of 20 |

# **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
  - 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<br>Losses | Total Capital<br>Losses | Farm Losses     | Restricted Farm<br>Losses |
|-------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-------------------------|-----------------|---------------------------|
| Total amount of loss                                                                                                                            | 910                   | 920                     | 930             | 940                       |
| <b>Deduct:</b> Loss to be carried back to preceding taxation years and applied to reduce taxable income                                         |                       |                         |                 |                           |
| Predecessor Ontario Corporation's Taxation Year Ending<br>year month day<br>901<br>2005-12-31<br>ii) 2 <sup>nd</sup> preceding902<br>2006-12-31 | 911                   | 921                     | 931             | 941                       |
| iii) 1 <sup>st</sup> preceding                                                                                                                  | 913<br>From 706       | 923<br>From 716         | 933<br>From 726 | 943<br>From 736           |
| Balance of loss available for carry-forward                                                                                                     | 919                   | 929                     | 939             | 949                       |

| Summary                                                                                                                                            | C            |
|----------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| Income Tax + From 230 or 320 2,571 •                                                                                                               | lar          |
| Corporate Minimum Tax + From 280                                                                                                                   | retu<br>retu |
| Capital Tax + From 550                                                                                                                             | tha<br>I fu  |
| Premium Tax + From 590                                                                                                                             | pos          |
| Total Tax Payable         -         -         -         =         950         2,571         •                                                      | the<br>is c  |
| Subtract: Payments 960 24,000 •                                                                                                                    | sta          |
| Capital Gains Refund (s.48) 965                                                                                                                    | Na           |
| Qualifying Environmental<br>Trust Tax Credit ( <i>Refer to Guide</i> ) – 985                                                                       | R            |
| Specified Tax Credits<br>(Refer to Guide) 955                                                                                                      | Titl         |
| Other, specify                                                                                                                                     | G            |
| Balance = 970 -21,429 •                                                                                                                            | Ful          |
| If payment due Enclosed * 990                                                                                                                      |              |
| If overpayment: Refund (Refer to Guide) - = 975 21,429 •                                                                                           |              |
| year month day                                                                                                                                     |              |
| Apply to 980 (Includes credit interest)                                                                                                            | Sig          |
| * Make your cheque (drawn on a Canadian financial institution) or a money<br>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. ( <i>Refer to Guide for other payment methods.</i> )        | No<br>or r   |

### 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)    |            |
|------------------------|------------|
|                        |            |
| RENÉ BEAULNE           |            |
| Title                  |            |
| Tille                  |            |
|                        |            |
| GÉRANT                 |            |
| Full Residence Address |            |
|                        |            |
|                        |            |
|                        |            |
|                        |            |
|                        |            |
|                        |            |
|                        |            |
| Signature              | Date       |
|                        |            |
|                        | 2011-07-26 |
|                        | 2011-07-20 |

**Note:** Section 76 of the *Corporations Tax Act* provides penalties for making false or misleading statements or omissions.

## Corporate Minimum Tax (CMT) CT23 Schedule 101

| CI23 Schedule 101                                                                                                                                                           |                                                               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|
| Corporation's Legal Name                                                                                                                                                    | Ontario Corporations Tax Account No. (MOR) Taxation Year End  |
| HYDRO 2000 INC.                                                                                                                                                             | 1800109 2008-12-31                                            |
| Part 1: Calculation of CMT Base                                                                                                                                             |                                                               |
| Banks – Net income/loss as per report accepted by Superintendent of Financial Instituti under the Bank Act (Canada), adjusted so consolidation/equity methods are not used. | ons (SFI)                                                     |
| Life Insurance corporations - Net income/loss before Special Additional Tax as deter                                                                                        |                                                               |
| Net Income/Loss (unconsolidated, determined in accordance with GAAP)                                                                                                        | ± 2100 12,2                                                   |
| 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                                                                                              |                                                               |
| Equity income from corporations                                                                                                                                             |                                                               |
| Share of partnership(s)/joint venture(s) income                                                                                                                             |                                                               |
| Dividends received/receivable deductible under fed.s.112                                                                                                                    |                                                               |
| Dividends received/receivable deductible under fed.s.113                                                                                                                    |                                                               |
| Dividends received/receivable deductible under fed.s.83(2)                                                                                                                  |                                                               |
| Dividends received/receivable deductible under fed.s.138(6)                                                                                                                 |                                                               |
| Federal Part VI.1 tax paid on                                                                                                                                               |                                                               |
| dividends declared and paid,                                                                                                                                                | + 2100                                                        |
|                                                                                                                                                                             | = 22,230 ► - 2110 22,2                                        |
| Subtotal                                                                                                                                                                    | = 22,250 • = 211022,2                                         |
| Add (to extent reflected in net income/loss):                                                                                                                               |                                                               |
| Provision for current taxes / cost of current income taxes                                                                                                                  | . + 2111 7,713 .                                              |
| 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))                                                                                                           |                                                               |
| Subtotal                                                                                                                                                                    | = 7,713 • + 2116 7,7                                          |
| Amounts relating to s.57.9 election/regulations for disposals etc. of property, occuring before March 22, 2007, for current/prior years  ** Fed.s.85+  [2117]               | or - 2118                                                     |
| ** Fed.s.85.1 + 2119                                                                                                                                                        | or - 2120                                                     |
| ** Fed.s.97                                                                                                                                                                 | or – 2122                                                     |
| ** Amounts relating to wind-ups (fed.s.88)<br>as prescribed in regulations for current/                                                                                     | or – 2124                                                     |
| prior years                                                                                                                                                                 | or – 2126                                                     |
| ** Amounts relating to s.57.10 election/<br>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<br>Capital gains on eligible donations of publicly-listed securities and ecologically                             | - 2150                                                        |
| sensitive land made after May 1, 2006 (to the extent reflected in net income/loss)                                                                                          | - 2155                                                        |
| Subtotal (Additions)                                                                                                                                                        | + 2129                                                        |
| Subtotal (Subtractions)                                                                                                                                                     | = 2130                                                        |
| ** Other adjustments                                                                                                                                                        | ± 2131                                                        |
|                                                                                                                                                                             |                                                               |
| Subtotal $\pm 2100 - 2110 + 2116 + 2129 - 2130 \pm 2131 \dots$                                                                                                              |                                                               |
| · · · · · · · · · · · · · · · · · · ·                                                                                                                                       | $\frac{\pm 2133}{2100}$                                       |
| Adjusted net income (loss) (if loss, transfer to 2202 in Part 2: Continuity of CM                                                                                           | Losses Carried Forward.)          =         2134         -2,2 |
| Deduct: * CMT losses: pre-1994 Loss                                                                                                                                         | From 2210                                                     |
| * CMT losses: other eligible losses                                                                                                                                         |                                                               |
| =                                                                                                                                                                           | ▶ - 2135                                                      |
| <ul> <li>CMT losses applied cannot exceed adjusted net income or increase a loss</li> <li><i>** Retain calculations. Do not submit with this schedule.</i></li> </ul>       |                                                               |
| CMT Base                                                                                                                                                                    | = 2136                                                        |
|                                                                                                                                                                             | 2130                                                          |

## Corporate Minimum Tax (CMT) CT23 Schedule 101

| Corporatio                                                                         | on's Legal Name                                                                                                                                                                                                                                                                                                                                                                                                                           | Ontari                                                                                                                                                      | o Corporations Tax Account No                                                                                                                                                                                                                                                                    | . (MOR                                                            | ) Taxation Year End                                                                                                              |
|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| HYDRO                                                                              | 2000 INC.                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                             | 1800109                                                                                                                                                                                                                                                                                          |                                                                   | 2008-12-31                                                                                                                       |
| Part 2:                                                                            | Continuity of CMT Losses Carried Forward                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                             |                                                                                                                                                                                                                                                                                                  |                                                                   |                                                                                                                                  |
| Balance                                                                            | at Beginning of year NOTES (1), (2)                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                             |                                                                                                                                                                                                                                                                                                  | + 22                                                              | 14,381                                                                                                                           |
| Add:                                                                               | Current year's losses                                                                                                                                                                                                                                                                                                                                                                                                                     | + <u>220</u>                                                                                                                                                | 3                                                                                                                                                                                                                                                                                                |                                                                   |                                                                                                                                  |
| Subtotal                                                                           | Amalgamation (X) 2205 Yes Wind-up (X) 2206                                                                                                                                                                                                                                                                                                                                                                                                | Yes                                                                                                                                                         | 2,244                                                                                                                                                                                                                                                                                            | + 22                                                              | 2,244                                                                                                                            |
|                                                                                    | · · · · · · · · · · · · · · · · · · ·                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                             | · · · · · · · · ·                                                                                                                                                                                                                                                                                |                                                                   |                                                                                                                                  |
|                                                                                    | ts (attach schedule)                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                             |                                                                                                                                                                                                                                                                                                  |                                                                   |                                                                                                                                  |
| CMT los                                                                            | ses available         2201         +         2207         ±         2208                                                                                                                                                                                                                                                                                                                                                                  | · · · · · <u>· · ·</u>                                                                                                                                      |                                                                                                                                                                                                                                                                                                  | = 22                                                              | 16,625                                                                                                                           |
| Subtotal                                                                           | Pre-1994 loss utilized during the year to reduce adjusted net income     Other eligible losses utilized during the year to reduce adjusted     net income NOTE (4)     Losses expired during the year                                                                                                                                                                                                                                     | · · · · + 221<br>· · · · + 221;<br>· · · · =                                                                                                                |                                                                                                                                                                                                                                                                                                  |                                                                   | 213                                                                                                                              |
|                                                                                    | s at End of Year NOTE (5) 2209 – 2213                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                             |                                                                                                                                                                                                                                                                                                  | = 22                                                              | 16,625                                                                                                                           |
| beginr<br>CMT I<br>(2) Where<br>of CM<br>(3) Includ<br>that oc<br>wind-u<br>s.57.5 | ing of the year. Attach schedule showing computation of pre-1994<br>loss.<br>e acquisition of control of the corporation has occurred, the utilization<br>T losses can be restricted. (see s.57.5(3) and s.57.5(7)) (6<br>e and indicate whether CMT losses are a result of an amalgamation<br>ccurred before March 22, 2007, to which fed.s.87 applies and/or a<br>up completed before March 22, 2007, to which fed.s.88(1) applies (see | <ul> <li>income</li> <li>Amount in</li> <li>Include the<br/>from an inv<br/>the first pre-<br/>other prede</li> <li>Include the<br/>from its inv</li> </ul> | es must be used to the extent of<br>2134 and CMT losses availabl<br>2214 must equal sum of 2<br>elesser of the total investment in another predecessor<br>edecessor corporation, and the<br>ecessor corporation.<br>elesser of the total investment I<br>vestment in the subsidiary corporation. | e 220<br>2270 +<br>osses of<br>or corpor<br>total unu<br>osses of | 9.<br>2290.<br>f a predecessor corporation<br>ration that is controlled by<br>used CMT losses of the<br>f the parent corporation |

## 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<br>(oldest year first)<br>year month day | CMT Losses of Corporation | CMT Losses of<br>Predecessor Corporations |
|--------|---------------------------------------------------------|---------------------------|-------------------------------------------|
| 2240   | 9th preceding taxation year                             | 2260                      | 2280                                      |
| ·      | 2000-12-31                                              |                           |                                           |
| 2241   | 8th preceding taxation year                             | 2261                      | 2281                                      |
|        | 2001-09-30                                              |                           |                                           |
| 2242   | 7th preceding taxation year                             | 2262                      | 2282                                      |
|        | 2001-12-31                                              |                           |                                           |
| 2243   | 6th preceding taxation year                             | 2263                      | 2283                                      |
|        | 2002-12-31                                              |                           |                                           |
| 2244   | 5th preceding taxation year                             | 2264                      | 2284                                      |
|        | 2003-12-31                                              |                           |                                           |
| 2245   | 4th preceding taxation year                             | 2265                      | 2285                                      |
|        | 2004-12-31                                              |                           |                                           |
| 2246   | 3rd preceding taxation year                             | 2266                      | 2286                                      |
| 2240   | 2005-12-31                                              | 6,140                     | 2200                                      |
| 2247   | 2nd preceding taxation year                             | 2267                      | 2287                                      |
|        | 2006-12-31                                              |                           |                                           |
| 2248   | 1st preceding taxation year                             | 2268                      | 2288                                      |
| 2270   | 2007-12-31                                              | 8,241                     |                                           |
| 2249   | Current taxation year                                   | 2269                      | 2289                                      |
| 2243   | 2008-12-31                                              | 2,244                     |                                           |
|        |                                                         | 2270                      | 2290                                      |
| Totals |                                                         | 16,625                    |                                           |

The sum of amounts must equal amount in 2270 + 2290

2214 .

# Corporate Minimum Tax (CMT) CT23 Schedule 101

| Page | 3 | of | 3 |
|------|---|----|---|
|------|---|----|---|

| Corporation's Legal Name                                                                      | Ontario Corporations Tax Account No. (MOR) | Taxation Year End            |
|-----------------------------------------------------------------------------------------------|--------------------------------------------|------------------------------|
| HYDRO 2000 INC.                                                                               | 1800109                                    | 2008-12-31                   |
| Part 4: Continuity of CMT Credit Carryovers                                                   |                                            |                              |
|                                                                                               | + 230                                      | 1                            |
| 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                                                                           |                                            |                              |
| ( <u>190</u> on page 6 of the CT23 or<br>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                          | = <b>●</b> + 2310                          | )                            |
| CMT Credit Carryovers from predecessor corporations NOTE (3)                                  | + 232                                      |                              |
| Amalgamation (X) [2315] Yes Wind-up (X) [2320] Yes                                            |                                            | •                            |
|                                                                                               | - [200                                     |                              |
| Subtotal         2301         +         2310         +         2325                           |                                            |                              |
| Adjustments (Attach schedule)                                                                 | ± 2332                                     | 2                            |
| CMT Credit Carryover available 2330 ± 2332                                                    | = 233                                      | 3                            |
|                                                                                               | Transfer to Page 8 of a                    | the CT23 or Page 6 of the CT |
| Subtract: CMT Credit utilized during the year to reduce income tax                            |                                            |                              |
| ( <u>310</u> on page 8 of the CT23 or <u>351</u> on page 6 of the CT8.) + From <u>310</u>     |                                            |                              |
| CMT Credit expired during the year                                                            | + 2334                                     |                              |
| Subtotal                                                                                      | = •                                        | 5                            |
| Balance at End of Year NOTE (4)         2333         2335                                     | = 2336                                     | 6                            |
| Notes:                                                                                        |                                            |                              |
| (1) Where acquisition of control of the corporation has occurred, the utilization of CMT cred | lits 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 that occurred    | before March 22, 2007 to which fed.s.87    |                              |
| applies and/or a wind-up completed before March 22, 2007, to which fed.s.88(1) applies        | s. (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<br>(oldest year first)<br>year month day | CMT Credit Carryovers<br>of Corporation | CMT Credit Carryovers of<br>Predecessor Corporation(s) |                      |
|--------|---------------------------------------------------------|-----------------------------------------|--------------------------------------------------------|----------------------|
| 2340   | 9th preceding taxation year 2000-12-31                  | 2360                                    | 2380                                                   |                      |
| 2341   | 8th preceding taxation year 2001-09-30                  | 2361                                    | 2381                                                   |                      |
| 2342   | 7th preceding taxation year 2001-12-31                  | 2362                                    | 2382                                                   |                      |
| 2343   | 6th preceding taxation year 2002-12-31                  | 2363                                    | 2383                                                   |                      |
| 2344   | 5th preceding taxation year 2003-12-31                  | 2364                                    | 2384                                                   |                      |
| 2345   | 4th preceding taxation year 2004-12-31                  | 2365                                    | 2385                                                   |                      |
| 2346   | 3rd preceding taxation year 2005-12-31                  | 2366                                    | 2386                                                   |                      |
| 2347   | 2nd preceding taxation year<br>2006-12-31               | 2367                                    | 2387                                                   |                      |
| 2348   | 1st preceding taxation year<br>2007-12-31               | 2368                                    | 2388                                                   |                      |
| 2349   | Current taxation year<br>2008-12-31                     | 2369                                    | 2389                                                   | The sum of amounts   |
| Totals |                                                         | 2370                                    | 2390                                                   | must equal amount in |

| Corporation's Legal Name             | Ontario Corporations Tax Account No. (MOR) | Taxation Year End |
|--------------------------------------|--------------------------------------------|-------------------|
| HYDRO 2000 INC.                      | 1800109                                    | 2008-12-31        |
| CMT Losses Carried Forward Workchart |                                            |                   |

#### ┌ (i) Continuity of Pre-1994 CMT Losses -

| (.)                                                                                |               |                 |               |
|------------------------------------------------------------------------------------|---------------|-----------------|---------------|
|                                                                                    | Corporation's | Predecessors' F | Pre-1994 Loss |
| Date of the last tax year end before the corp's 1st tax year commencing after 1993 | Pre-1994 Loss | Amalgamation    | Wind-Up       |
| Pre-1994 Loss (per schedule)                                                       |               |                 |               |
| Less: Claimed in prior taxation years commencing after 1993                        |               |                 |               |
| Pre-1994 Loss available for the current year                                       |               |                 |               |
| Less: Deducted in the current year                                                 |               |                 |               |
| (max. = adj. net income for the year)<br>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)

|                 | <b>Year of Origin</b><br>YYYY/MM/DD | Opening Balance | Adjustment | Deduction | Expired | Closing Balance |
|-----------------|-------------------------------------|-----------------|------------|-----------|---------|-----------------|
| 10th Prior Year | 2000-09-28                          |                 |            |           |         |                 |
| 9th Prior Year  | 2000-12-31                          |                 |            |           |         |                 |
| 8th Prior Year  | 2001-09-30                          |                 |            |           |         |                 |
| 7th Prior Year  | 2001-12-31                          |                 |            |           |         |                 |
| 6th Prior Year  | 2002-12-31                          |                 |            |           |         |                 |
| 5th Prior Year  | 2003-12-31                          |                 |            |           |         |                 |
| 4th Prior Year  | 2004-12-31                          |                 |            |           |         |                 |
| 3rd Prior Year  | 2005-12-31                          | 6,140           |            |           |         | 6,140           |
| 2nd Prior Year  | 2006-12-31                          |                 |            |           |         |                 |
| 1st Prior Year  | 2007-12-31                          | 8,241           |            |           |         | 8,241           |
|                 | Total                               | 14,381          |            |           |         | 14,381          |

### 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<br>YYYY/MM/DD | Opening Balance | Add | Adjustment | Deduction | Expired | Closing Balance |
|------------------------------|-----------------|-----|------------|-----------|---------|-----------------|
| 2000-09-28                   |                 |     |            |           |         |                 |
| 2000-12-31                   |                 |     |            |           |         |                 |
| 2001-09-30                   |                 |     |            |           |         |                 |
| 2001-12-31                   |                 |     |            |           |         |                 |
| 2002-12-31                   |                 |     |            |           |         |                 |
| 2003-12-31                   |                 |     |            |           |         |                 |
| 2004-12-31                   |                 |     |            |           |         |                 |
| 2005-12-31                   |                 |     |            |           |         |                 |
| 2006-12-31                   |                 |     |            |           |         |                 |
| 2007-12-31                   |                 |     |            |           |         |                 |
| Total                        |                 |     |            |           |         |                 |

## Corporate Minimum Tax (CMT) CT23 Schedule 101 – Supporting Schedule

|                          | -                                          | <u> </u>          |
|--------------------------|--------------------------------------------|-------------------|
| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOR) | Taxation Year End |
| HYDRO 2000 INC.          | 1800109                                    | 2008-12-31        |

## CMT Losses Carried Forward Workchart (continued)

## ┌ Predecessor Corporations Only – Wind-Up

| Year of Origin<br>YYYY/MM/DD | Opening Balance | Add | Adjustment | Deduction | Expired | Closing Balance |
|------------------------------|-----------------|-----|------------|-----------|---------|-----------------|
| 2000-09-28                   |                 |     |            |           |         |                 |
| 2000-12-31                   |                 |     |            |           |         |                 |
| 2001-09-30                   |                 |     |            |           |         |                 |
| 2001-12-31                   |                 |     |            |           |         |                 |
| 2002-12-31                   |                 |     |            |           |         |                 |
| 2003-12-31                   |                 |     |            |           |         |                 |
| 2004-12-31                   |                 |     |            |           |         |                 |
| 2005-12-31                   |                 |     |            |           |         |                 |
| 2006-12-31                   |                 |     |            |           |         |                 |
| 2007-12-31                   |                 |     |            |           |         |                 |
| Total                        |                 |     |            |           |         |                 |

## Corporate Minimum Tax (CMT) CT23 Schedule 101 – Supporting Schedule

|                          |                                            | 1 0               |
|--------------------------|--------------------------------------------|-------------------|
| Corporation's Legal Name | Ontario Corporations Tax Account No. (MOR) | Taxation Year End |
| HYDRO 2000 INC.          | 1800109                                    | 2008-12-31        |

## **CMT Credit Carryovers Workchart**

| Filing Corporatio | on ———                       |                 |            |           |         |                 |
|-------------------|------------------------------|-----------------|------------|-----------|---------|-----------------|
|                   | Year of Origin<br>YYYY/MM/DD | Opening Balance | Adjustment | Deduction | Expired | Closing Balance |
| 10th Prior Year   | 2000-09-28                   |                 |            |           |         |                 |
| 9th Prior Year    | 2000-12-31                   |                 |            |           |         |                 |
| 8th Prior Year    | 2001-09-30                   |                 |            |           |         |                 |
| 7th Prior Year    | 2001-12-31                   |                 |            |           |         |                 |
| 6th Prior Year    | 2002-12-31                   |                 |            |           |         |                 |
| 5th Prior Year    | 2003-12-31                   |                 |            |           |         |                 |
| 4th Prior Year    | 2004-12-31                   |                 |            |           |         |                 |
| 3rd Prior Year    | 2005-12-31                   |                 |            |           |         |                 |
| 2nd Prior Year    | 2006-12-31                   |                 |            |           |         |                 |
| 1st Prior Year    | 2007-12-31                   |                 |            |           |         |                 |
|                   | 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<br>YYYY/MM/DD | Opening Balance | Add | Adjustment | Deduction | Expired | Closing Balance |
|------------------------------|-----------------|-----|------------|-----------|---------|-----------------|
| 2000-09-28                   |                 |     |            |           |         |                 |
| 2000-12-31                   |                 |     |            |           |         |                 |
| 2001-09-30                   |                 |     |            |           |         |                 |
| 2001-12-31                   |                 |     |            |           |         |                 |
| 2002-12-31                   |                 |     |            |           |         |                 |
| 2003-12-31                   |                 |     |            |           |         |                 |
| 2004-12-31                   |                 |     |            |           |         |                 |
| 2005-12-31                   |                 |     |            |           |         |                 |
| 2006-12-31                   |                 |     |            |           |         |                 |
| 2007-12-31                   |                 |     |            |           |         |                 |
| Total                        |                 |     |            |           |         |                 |

## $_{\Box}$ 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<br>YYYY/MM/DD                                                                                                                                  | Opening Balance | Add | Adjustment | Deduction | Expired | Closing Balance |  |  |
| 2000-09-28                                                                                                                                                    |                 |     |            |           |         |                 |  |  |
| 2000-12-31                                                                                                                                                    |                 |     |            |           |         |                 |  |  |
| 2001-09-30                                                                                                                                                    |                 |     |            |           |         |                 |  |  |
| 2001-12-31                                                                                                                                                    |                 |     |            |           |         |                 |  |  |
| 2002-12-31                                                                                                                                                    |                 |     |            |           |         |                 |  |  |
| 2003-12-31                                                                                                                                                    |                 |     |            |           |         |                 |  |  |
| 2004-12-31                                                                                                                                                    |                 |     |            |           |         |                 |  |  |
| 2005-12-31                                                                                                                                                    |                 |     |            |           |         |                 |  |  |
| 2006-12-31                                                                                                                                                    |                 |     |            |           |         |                 |  |  |
| 2007-12-31                                                                                                                                                    |                 |     |            |           |         |                 |  |  |
| Total                                                                                                                                                         |                 |     |            |           |         |                 |  |  |



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

| Corporation's   | Legal Name                                                                                                                                                          |                                                                                                                        |                                                              |                                                                                                 |                                                                                                                   |                                                                                                                                       |                                                                             | On               | tario Corporations                        | Tax Account No. | (MOF) Taxatio                                                                                      | n Year End                                                                                                |
|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|-------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|------------------|-------------------------------------------|-----------------|----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| HYDRO 20        | 00 INC.                                                                                                                                                             |                                                                                                                        |                                                              |                                                                                                 |                                                                                                                   |                                                                                                                                       |                                                                             |                  | 18                                        | 300109          | 2008                                                                                               | 8-12-31                                                                                                   |
| Is the corpor   | ation electing u                                                                                                                                                    | nder regulation                                                                                                        | 1101(5q)?                                                    | 1 Ves                                                                                           | 2 🗴 No                                                                                                            |                                                                                                                                       |                                                                             |                  |                                           |                 |                                                                                                    |                                                                                                           |
| 1               | 2                                                                                                                                                                   | 3                                                                                                                      | 4                                                            | 5                                                                                               | 6                                                                                                                 | 7                                                                                                                                     | 8                                                                           | 9                | 10                                        | 11              | 12                                                                                                 | 13                                                                                                        |
| Class<br>number | Ontario<br>undepreciated<br>capital cost at<br>the beginning of<br>the year<br>(undepreciated<br>capital cost at<br>the end of the<br>prior year's CCA<br>schedule) | Cost of<br>acquisitions<br>during the year<br>(new property<br>must be<br>available for<br>use)<br>See note 1<br>below | Net adjustments<br>(show negative<br>amounts in<br>brackets) | Proceeds of<br>dispositions<br>during the year<br>(amount not to<br>exceed the<br>capital cost) | Ontario<br>undepreciated<br>capital cost<br>(column 2 plus<br>column 3<br>or minus<br>column 4 minus<br>column 5) | 50% rule (1/2 of<br>the amount,<br>if any, by which<br>the net cost of<br>acquisitions<br>exceeds<br>column 5)<br>See note 2<br>below | Reduced<br>undepreciated<br>capital cost<br>(column 6<br>minus<br>column 7) | CCA<br>rate<br>% | Recapture of<br>capital cost<br>allowance | Terminal loss   | Ontario capital<br>cost allowance<br>(column 8<br>multiplied by<br>column 9; or a<br>lower amount) | Ontario<br>undepreciated<br>capital cost<br>at the end of<br>the year<br>(column 6<br>minus<br>column 12) |
| 1               | 198,269                                                                                                                                                             |                                                                                                                        |                                                              | 0                                                                                               | 198,269                                                                                                           |                                                                                                                                       | 198,269                                                                     | 4                | 0                                         | 0               | 7,93                                                                                               | 190,338                                                                                                   |
| 2               | 212,084                                                                                                                                                             |                                                                                                                        |                                                              | 0                                                                                               | 212,084                                                                                                           |                                                                                                                                       | 212,084                                                                     | 6                | 0                                         | 0               | 12,72                                                                                              | 5 199,359                                                                                                 |
| 8               | 1,945                                                                                                                                                               | 324                                                                                                                    |                                                              | 0                                                                                               | 2,269                                                                                                             | 162                                                                                                                                   | 2,107                                                                       | 20               | 0                                         | 0               | 42                                                                                                 | 1,848                                                                                                     |
| 10              | 2,539                                                                                                                                                               |                                                                                                                        |                                                              | 0                                                                                               | 2,539                                                                                                             |                                                                                                                                       | 2,539                                                                       | 30               | 0                                         | 0               | 76                                                                                                 | 21,777                                                                                                    |
| 12              | 558                                                                                                                                                                 | 2,610                                                                                                                  |                                                              | 0                                                                                               | 3,168                                                                                                             | 1,305                                                                                                                                 | 1,863                                                                       | 100              | 0                                         | 0               | 1,86                                                                                               | 3 1,305                                                                                                   |
| 45              | 2,780                                                                                                                                                               |                                                                                                                        |                                                              | 0                                                                                               | 2,780                                                                                                             |                                                                                                                                       | 2,780                                                                       | 45               | 0                                         | 0               | 1,25                                                                                               | . 1,529                                                                                                   |
| 50              | 438                                                                                                                                                                 | 4,704                                                                                                                  |                                                              | 0                                                                                               | 5,142                                                                                                             | 2,352                                                                                                                                 | 2,790                                                                       | 55               | 0                                         | 0               | 1,53                                                                                               | 3,607                                                                                                     |
| 47              | 44,414                                                                                                                                                              | 34,019                                                                                                                 |                                                              | 0                                                                                               | 78,433                                                                                                            | 17,010                                                                                                                                | 61,423                                                                      | 8                | 0                                         | 0               | 4,91                                                                                               | 73,519                                                                                                    |
| 12              |                                                                                                                                                                     | 42,900                                                                                                                 |                                                              | 0                                                                                               | 42,900                                                                                                            | 21,450                                                                                                                                | 21,450                                                                      | 0                | 0                                         | 0               |                                                                                                    | 42,900                                                                                                    |
| Totals          | 463,027                                                                                                                                                             | 84,557                                                                                                                 |                                                              |                                                                                                 | 547,584                                                                                                           | 42,279                                                                                                                                | 505,305                                                                     |                  |                                           |                 |                                                                                                    | 516,182                                                                                                   |
| Note 1. Include |                                                                                                                                                                     |                                                                                                                        |                                                              |                                                                                                 | for use. This prope                                                                                               |                                                                                                                                       |                                                                             |                  |                                           |                 | 31,40                                                                                              |                                                                                                           |

Enter in boxes 650

650

. . . .

. . . .

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.

650 on the CT23.



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

## Ontario Cumulative Eligible Capital Deduction Schedule 10 Page 1 of 2

For taxation years 2002 and later

| Corporation's Legal Name                                                                                                                                                                                                                                           | Ontario Corporations Tax Account No. (MOF) | Taxation Year End                      |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|----------------------------------------|
| HYDRO 2000 INC.                                                                                                                                                                                                                                                    | 1800109                                    | 2008-12-31                             |
| 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, en                                                                                                                                                                   | nter zero)                                 | = + <u>2,212</u> A                     |
| Add: Cost of eligible capital property acquired during the taxation year +                                                                                                                                                                                         | B                                          |                                        |
| Other adjustments +                                                                                                                                                                                                                                                |                                            |                                        |
| B+C =                                                                                                                                                                                                                                                              | x 3 / 4 =                                  | D                                      |
| 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                                                                                                    | x <u>1 / 2 = -</u>                         | E                                      |
| D minus E (if negative, enter zero)                                                                                                                                                                                                                                |                                            | > +F                                   |
| Amount transferred on amalgamation or wind-up of subsidiary                                                                                                                                                                                                        |                                            |                                        |
| Subtotal A + F + G                                                                                                                                                                                                                                                 |                                            | = <u>2,212</u> н                       |
| Deduct: Ontario proceeds of sales (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year                                                                                              | I                                          |                                        |
| The gross amount of a reduction in respect of a forgiven<br>debt obligation as provided for in subsection 80(7) of the<br>Income Tax Act (Canada)                                                                                                                  | J                                          |                                        |
| Other adjustments                                                                                                                                                                                                                                                  | К                                          |                                        |
| I+J+K=                                                                                                                                                                                                                                                             | x 3/4                                      | =L                                     |
| Ontario cumulative eligible capital balance H minus L                                                                                                                                                                                                              |                                            | = <u>2,212</u> M                       |
| Cumulative eligible capital for a property no longer owned after ceasing to carry on the                                                                                                                                                                           | at business                                | Ν                                      |
| From <b>M</b>                                                                                                                                                                                                                                                      | 2,212                                      |                                        |
| From N -                                                                                                                                                                                                                                                           |                                            |                                        |
| Current year deduction M minus N                                                                                                                                                                                                                                   |                                            | -                                      |
| N + O                                                                                                                                                                                                                                                              | = 155                                      | > − <u>155</u> P                       |
| <b>Note:</b> The maximum current year deduction is 7%. Any amount up to the maximum deduc<br>For taxation years starting after December 21, 2000, the deduction may not exceed<br>prorated for the number of days in the taxation year divided by 365 or 366 days. |                                            | Enter amount in box<br>651 of the CT23 |
| Ontario cumulative eligible capital - closing balance M minus P (if negative, enter zero                                                                                                                                                                           | )                                          | =2,057_Q                               |

See page 2 - Part 2

# Ontario Cumulative Eligible Capital Deduction Schedule 10 Page 2 of 2

| Corporation's Legal Name                                                                                                                                                                                                    | Ontario Corporations 7 | Tax Account No. (MOF) | Taxation Year End |      |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|-----------------------|-------------------|------|
| HYDRO 2000 INC.                                                                                                                                                                                                             | 18                     | 2008-12-31            |                   |      |
| Part 2 – Amount to be included in income arisin                                                                                                                                                                             | g from dispositio      | n                     |                   |      |
| Complete this part only if the amount at line M is neg                                                                                                                                                                      | ative.                 |                       |                   |      |
| Amount from line M above. Show this as a positive amount; not ne                                                                                                                                                            | gative                 |                       |                   | R    |
| 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                                                                                              | )<br>                  |                       | +                 | 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                     |                   |      |
| Deduct line 4 from line 3 (if negative, enter zero)                                                                                                                                                                         | =                      | $\square$             | +                 | 5    |
| Total lines 1 + 2 + 5                                                                                                                                                                                                       |                        |                       | =                 | 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 <b>1</b> |                        | 7                     |                   |      |
| Amounts at <b>Line Z</b> from Ontario Schedule 10 of previous taxation years ending after February 27, 2000 ( <i>This will be Line T in earlier versions of this schedule.</i> )                                            | +                      | 8                     |                   |      |
| Total lines 7 + 8                                                                                                                                                                                                           | =                      |                       |                   | 9    |
| Deduct line 9 from line 6 (if negative, enter zero)                                                                                                                                                                         |                        |                       | =                 | ⊳s   |
| R minus S (if negative, enter zero)                                                                                                                                                                                         |                        |                       |                   | =т   |
| From Line 5 X 1 / 2 .                                                                                                                                                                                                       |                        |                       |                   | = –U |
| T minus U (if negative, enter zero)                                                                                                                                                                                         |                        |                       |                   | =v   |
| From <b>V</b> X 2 / 3 .                                                                                                                                                                                                     |                        |                       |                   | =w   |
| Lesser of <b>R</b> and <b>S</b>                                                                                                                                                                                             |                        |                       |                   | = +Z |
| Amount to be included in income W + Z                                                                                                                                                                                       |                        |                       |                   | =    |

# **Corporate Taxpayer Summary**

| ┌ Corporate inf                                                                                                                                                                                                                                                                                                                                                                                                                                                           | ormatio                                                                                                                                              | n ———                          |                                                                      |                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                    |                                       |                                       |                                                                                                                                                                                                                                                                                 |                                                                                      |                   |             |            |         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|-------------------|-------------|------------|---------|
| Corporation's name                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                      |                                | HYDR                                                                 | 2000 0                                                                                          | INC.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                    |                                       |                                       |                                                                                                                                                                                                                                                                                 |                                                                                      |                   |             |            |         |
| Taxation Year                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                      |                                | 2008-0                                                               | )1-01                                                                                           | to _200                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 08-12-31                                           |                                       |                                       |                                                                                                                                                                                                                                                                                 |                                                                                      |                   |             |            |         |
| Jurisdiction                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                      |                                | Ontari                                                               | D                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                    |                                       |                                       |                                                                                                                                                                                                                                                                                 |                                                                                      |                   |             |            |         |
| BC AB                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | SK                                                                                                                                                   | MB                             | ON                                                                   | QC                                                                                              | NB                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | NS                                                 | NO                                    | PE                                    | NL                                                                                                                                                                                                                                                                              | хо                                                                                   | YT                | NT          | NU         | OC      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                      |                                | X                                                                    |                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                    |                                       |                                       |                                                                                                                                                                                                                                                                                 |                                                                                      |                   |             |            |         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                      |                                |                                                                      |                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                    |                                       |                                       |                                                                                                                                                                                                                                                                                 |                                                                                      |                   |             |            |         |
| Corporation is assoc                                                                                                                                                                                                                                                                                                                                                                                                                                                      | iated                                                                                                                                                |                                | <u>N</u>                                                             |                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                    |                                       |                                       |                                                                                                                                                                                                                                                                                 |                                                                                      |                   |             |            |         |
| Corporation is relate                                                                                                                                                                                                                                                                                                                                                                                                                                                     | d                                                                                                                                                    |                                | N                                                                    |                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                    |                                       |                                       |                                                                                                                                                                                                                                                                                 |                                                                                      |                   |             |            |         |
| Number of associate                                                                                                                                                                                                                                                                                                                                                                                                                                                       | ed corporat                                                                                                                                          | tions                          |                                                                      |                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                    |                                       |                                       |                                                                                                                                                                                                                                                                                 |                                                                                      |                   |             |            |         |
| Type of corporation                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                      |                                | Canad                                                                | an-Con                                                                                          | trolled Pri                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | vate Corp                                          | oration                               |                                       |                                                                                                                                                                                                                                                                                 |                                                                                      |                   |             |            |         |
| Total amount due (re                                                                                                                                                                                                                                                                                                                                                                                                                                                      | efund) fede                                                                                                                                          | eral                           |                                                                      |                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                    |                                       |                                       |                                                                                                                                                                                                                                                                                 |                                                                                      |                   |             |            |         |
| and provincial*                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                      |                                |                                                                      | -16                                                                                             | 6,287                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                    |                                       |                                       |                                                                                                                                                                                                                                                                                 |                                                                                      |                   |             |            |         |
| * The amounts displ                                                                                                                                                                                                                                                                                                                                                                                                                                                       | ayed on lin                                                                                                                                          | ies "Total ar                  | nount due                                                            | (refund)                                                                                        | federal and                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | d provincial'                                      | ' are all list                        | ed in the he                          | elp. Press                                                                                                                                                                                                                                                                      | F1 to cons                                                                           | ult the con       | text-sensat | tive help. |         |
| <b>⊂</b> Summary of f                                                                                                                                                                                                                                                                                                                                                                                                                                                     | odoral i                                                                                                                                             | nformati                       | on                                                                   |                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                    |                                       |                                       |                                                                                                                                                                                                                                                                                 |                                                                                      |                   |             |            |         |
| Net income .                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                      |                                |                                                                      |                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                    |                                       |                                       |                                                                                                                                                                                                                                                                                 |                                                                                      |                   |             |            | 46,748  |
| Taxable income                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                      | <br>                           |                                                                      |                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                    |                                       |                                       |                                                                                                                                                                                                                                                                                 |                                                                                      |                   |             |            | 46,748  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                      |                                |                                                                      |                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                    |                                       |                                       |                                                                                                                                                                                                                                                                                 |                                                                                      |                   |             |            | 10,7 10 |
| Donations                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                      |                                |                                                                      |                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                    |                                       |                                       |                                                                                                                                                                                                                                                                                 |                                                                                      |                   |             |            | 16 740  |
| Calculation of incom                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                      |                                |                                                                      |                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                    |                                       |                                       |                                                                                                                                                                                                                                                                                 |                                                                                      |                   |             |            | 46,748  |
| Dividends paid                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                      |                                |                                                                      |                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                    |                                       |                                       |                                                                                                                                                                                                                                                                                 |                                                                                      |                   |             |            |         |
| Balance of the low ra                                                                                                                                                                                                                                                                                                                                                                                                                                                     | ate income                                                                                                                                           | pool at the                    | end of the                                                           | previous                                                                                        | s year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                    |                                       |                                       |                                                                                                                                                                                                                                                                                 |                                                                                      |                   | ···         |            |         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                      |                                |                                                                      |                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                    |                                       |                                       |                                                                                                                                                                                                                                                                                 |                                                                                      |                   |             |            |         |
| Balance of the low ra                                                                                                                                                                                                                                                                                                                                                                                                                                                     | ate income                                                                                                                                           | pool at the                    | end of the                                                           | year                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                    |                                       |                                       |                                                                                                                                                                                                                                                                                 |                                                                                      |                   | · · ·       |            |         |
| Balance of the low ra<br>Balance of the gene                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                      |                                |                                                                      | -                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                    |                                       |                                       |                                                                                                                                                                                                                                                                                 |                                                                                      |                   |             |            |         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | ral rate inc                                                                                                                                         | ome pool at                    | the end o                                                            | f the prev                                                                                      | vious year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                    |                                       |                                       |                                                                                                                                                                                                                                                                                 |                                                                                      |                   | ····        |            |         |
| Balance of the gene                                                                                                                                                                                                                                                                                                                                                                                                                                                       | ral rate inco<br>ral rate inco                                                                                                                       | ome pool at                    | the end o<br>the end o                                               | f the prev<br>f the year                                                                        | vious year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | · · · ·                                            |                                       |                                       |                                                                                                                                                                                                                                                                                 |                                                                                      |                   | ····        |            |         |
| Balance of the gene<br>Balance of the gene                                                                                                                                                                                                                                                                                                                                                                                                                                | ral rate inco<br>ral rate inco<br>unt)                                                                                                               | ome pool at<br>ome pool at     | the end o<br>the end o                                               | f the prev<br>f the year                                                                        | vious year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                    |                                       |                                       | <br>                                                                                                                                                                                                                                                                            |                                                                                      | · · · · · · · · · | ····        |            |         |
| Balance of the gene<br>Balance of the gene<br>Part I tax (base amo                                                                                                                                                                                                                                                                                                                                                                                                        | ral rate inco<br>ral rate inco<br>unt)<br><b>rt I tax</b>                                                                                            | ome pool at<br>ome pool at     | the end o<br>the end o                                               | f the prev<br>f the year<br><br>Sur                                                             | vious year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                    |                                       |                                       | <br><br>                                                                                                                                                                                                                                                                        | <br><br>                                                                             |                   | ····        |            | 17,764  |
| Balance of the gene<br>Balance of the gene<br>Part I tax (base amo<br><b>Credits against pa</b><br>Small business dedu<br>M&P deduction                                                                                                                                                                                                                                                                                                                                   | ral rate inco<br>ral rate inco<br>unt)<br>rt I tax<br>uction                                                                                         | ome pool at<br>ome pool at     | the end o<br>the end o<br><br>7,9                                    | f the prev<br>f the year<br>                                                                    | vious year<br>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <br><br>ax                                         | · · · · · · · · · · · · · · · · · · · |                                       | <br>                                                                                                                                                                                                                                                                            | efunds/cr                                                                            | edits             | ····        |            | 17,764  |
| Balance of the gene<br>Balance of the gene<br>Part I tax (base amo<br><b>Credits against pa</b><br>Small business ded<br>M&P deduction<br>Foreign tax credit                                                                                                                                                                                                                                                                                                              | ral rate inco<br>ral rate inco<br>unt)<br>rt I tax<br>uction                                                                                         | ome pool at                    | the end o<br>the end o<br><br>7,9                                    | f the prev<br>f the year<br><br>Sur<br>47 Par<br>Par<br>Par                                     | vious year<br><br>nmary of t<br>t I<br>t IV<br>t III.1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <br>ax                                             | · · · · · · · · · · · · · · · · · · · |                                       | <br><b>R</b><br>5,142 IT<br>D                                                                                                                                                                                                                                                   | efunds/cr<br>C refund<br>ividends re<br>stalments                                    | edits             | ····        |            | 17,764  |
| Balance of the gene<br>Balance of the gene<br>Part I tax (base amo<br><b>Credits against pa</b><br>Small business dedu<br>M&P deduction<br>Foreign tax credit<br>Investment tax credi                                                                                                                                                                                                                                                                                     | ral rate inco<br>ral rate inco<br>unt)<br>rt I tax<br>uction .<br><br>ts                                                                             | ome pool at                    | the end o<br>the end o<br><br>7,9                                    | f the prev<br>f the year<br>Sur<br><u>97</u> Par<br>Par<br>0th                                  | vious year<br>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | ax                                                 | · · · · · · · · · · · · · · · · · · · |                                       | <br><b>R</b><br>5,142 IT<br>D<br>In<br>S                                                                                                                                                                                                                                        | efunds/cr<br>C refund<br>ividends re<br>stalments<br>urtax credi                     | edits             | ····        |            | 17,764  |
| Balance of the gene<br>Balance of the gene<br>Part I tax (base amo<br><b>Credits against pa</b><br>Small business ded<br>M&P deduction<br>Foreign tax credit                                                                                                                                                                                                                                                                                                              | ral rate inco<br>ral rate inco<br>unt)<br>rt I tax<br>uction .<br><br>ts                                                                             | ome pool at                    | the end o<br>the end o<br><br>7,9                                    | f the prev<br>f the year<br>Sur<br><u>97</u> Par<br>Par<br>0th                                  | vious year<br><br>nmary of t<br>t I<br>t IV<br>t III.1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | ax                                                 | · · · · · · · · · · · · · · · · · · · |                                       | <br><b>R</b><br>5,142 IT<br>D<br>In<br>S                                                                                                                                                                                                                                        | efunds/cr<br>C refund<br>ividends re<br>stalments<br>urtax credi                     | edits             | ····        |            | 17,764  |
| Balance of the gene<br>Balance of the gene<br>Part I tax (base amo<br><b>Credits against pa</b><br>Small business dedu<br>M&P deduction<br>Foreign tax credit<br>Investment tax credi                                                                                                                                                                                                                                                                                     | ral rate inco<br>ral rate inco<br>unt)<br>rt I tax<br>uction .<br><br>ts                                                                             | ome pool at                    | the end o<br>the end o<br><br>7,9                                    | f the prev<br>f the year<br>Sur<br><u>97</u> Par<br>Par<br>0th                                  | vious year<br>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | ax                                                 | · · · · · · · · · · · · · · · · · · · |                                       | <br><b>R</b><br>5,142 IT<br>D<br>In<br>S                                                                                                                                                                                                                                        | efunds/cr<br>C refund<br>ividends re<br>stalments<br>urtax credi<br>ther*            | edits             | · · · ·     |            | 17,764  |
| Balance of the gene<br>Balance of the gene<br>Part I tax (base amo<br><b>Credits against pa</b><br>Small business dedu<br>M&P deduction<br>Foreign tax credit<br>Investment tax credi                                                                                                                                                                                                                                                                                     | ral rate inco<br>ral rate inco<br>unt)<br>rt I tax<br>uction .<br><br>ts                                                                             | ome pool at<br>ome pool at     | the end o<br>the end o<br><br>7,9<br>4,6                             | f the prev<br>f the year<br>Sur<br>47 Par<br>Par<br>Par<br>0th<br>75 Pro                        | vious year<br>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | ax                                                 | · · · · · · · · · · · · · · · · · · · | · · · · · · · · · · · · · · · · · · · | <br><b>R</b><br>5,142 IT<br>D<br>In<br>S<br>О                                                                                                                                                                                                                                   | efunds/cr<br>C refund<br>ividends re<br>stalments<br>urtax credi<br>ther*            | edits<br>         | · · · ·     |            | 17,764  |
| Balance of the gene<br>Balance of the gene<br>Part I tax (base amo<br><b>Credits against pa</b><br>Small business dedu<br>M&P deduction<br>Foreign tax credit<br>Investment tax credi<br>Abatement/Other*                                                                                                                                                                                                                                                                 | ral rate inco<br>ral rate inco<br>unt)<br>rt I tax<br>uction .<br><br>ts<br>ayed on lin                                                              | ome pool at<br>ome pool at<br> | the end o<br>the end o<br><br>7,9<br>4,6<br>are all liste            | f the prev<br>f the year<br>Sur<br>47 Par<br>Par<br>Par<br>75 Pro                               | vious year         -         nmary of t         t I         t IV         t III.1         cer*         vincial or te         Help. Press                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | ax<br>                                             | · · · · · · · · · · · · · · · · · · · | · · · · · · · · · · · · · · · · · · · | <br><b>R</b><br>5,142 IT<br>D<br>In<br>S<br>О                                                                                                                                                                                                                                   | efunds/cr<br>C refund<br>ividends re<br>stalments<br>urtax credi<br>ther*            | edits<br>         | · · · ·     |            | 17,764  |
| Balance of the gene<br>Balance of the gene<br>Part I tax (base amo<br><b>Credits against pa</b><br>Small business dedu<br>M&P deduction<br>Foreign tax credit<br>Investment tax credit<br>Abatement/Other*<br>* The amounts displ                                                                                                                                                                                                                                         | ral rate inco<br>ral rate inco<br>unt)<br>rt I tax<br>uction .<br><br>ts<br>ayed on lin                                                              | ome pool at<br>ome pool at<br> | the end o<br>the end o<br><br>7,9<br>4,6<br>are all liste            | f the prev<br>f the year<br>Sur<br>47 Par<br>Par<br>Par<br>75 Pro                               | vious year         -         nmary of t         t I         t IV         t III.1         cer*         vincial or te         Help. Press                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | ax<br>                                             | · · · · · · · · · · · · · · · · · · · | · · · · · · · · · · · · · · · · · · · | <br><b>R</b><br>5,142 IT<br>D<br>In<br>S<br>О                                                                                                                                                                                                                                   | efunds/cr<br>C refund<br>ividends re<br>stalments<br>urtax credi<br>ther*            | edits<br>         | · · · ·     |            | 17,764  |
| Balance of the gene<br>Balance of the gene<br>Part I tax (base amo<br><b>Credits against pa</b><br>Small business ded<br>M&P deduction<br>Foreign tax credit<br>Investment tax credit<br>Abatement/Other*<br>* The amounts displ                                                                                                                                                                                                                                          | ral rate inco<br>ral rate inco<br>unt)<br>rt I tax<br>uction .<br><br>ts<br>ayed on lin<br>rederal c<br>s                                            | ome pool at<br>ome pool at<br> | the end o<br>the end o<br><br>7,9<br>4,6<br>are all liste            | f the prev<br>f the year<br>Sur<br>47 Par<br>Par<br>Par<br>75 Pro                               | vious year         nmary of t         t           t  V         t  II.1         er*         vincial or te         Help. Press         k         inform                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | ax<br>                                             |                                       | ntext-sensit                          | R<br>5,142 IT<br>D<br>In<br>S<br>O                                                                                                                                                                                                                                              | efunds/cr<br>C refund<br>ividends re<br>stalments<br>urtax credi<br>ther*            | edits<br>         | · · · ·     |            | 17,764  |
| Balance of the gene<br>Balance of the gene<br>Part I tax (base amo<br><b>Credits against pa</b><br>Small business dedt<br>M&P deduction<br>Foreign tax credit<br>Investment tax credi<br>Abatement/Other*<br>* The amounts displ<br><b>Summary of f</b><br><b>Carryback amount</b><br>Investment tax credi                                                                                                                                                                | ral rate inco<br>ral rate inco<br>unt)<br>rt I tax<br>uction .<br><br>ts<br>ayed on lin<br>rederal c<br>s                                            | es "Other" a                   | the end o<br>the end o<br><br>7,9<br>4,6<br>are all liste<br>vard/ca | f the prev<br>f the year<br>Sur<br>47 Par<br>Par<br>Par<br>0th<br>75 Pro<br>ed in the<br>rrybac | vious year         nmary of t         t           t  V         t  II.1         er*         vincial or te         Help. Press         k         inform                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | ax<br>                                             |                                       | itext-sensit                          | R<br>5,142 IT<br>D<br>In<br>S<br>O                                                                                                                                                                                                                                              | efunds/cr<br>C refund<br>ividends re<br>stalments<br>urtax credi<br>ther*<br>Balance | edits<br>         | · · · ·     |            | 17,764  |
| Balance of the gene<br>Balance of the gene<br>Part I tax (base amo<br><b>Credits against pa</b><br>Small business dedu<br>M&P deduction Foreign tax credit<br>Investment tax credit<br>Abatement/Other*<br>* The amounts displ<br><b>Summary of f</b><br><b>Carryback amount</b><br>Investment tax credit<br>Non-capital losses                                                                                                                                           | ral rate inco<br>ral rate inco<br>unt)<br>rt I tax<br>uction .<br><br>ts<br>ayed on lin<br>rederal c<br>s                                            | es "Other" a                   | the end o<br>the end o<br><br>7,9<br>4,6<br>are all liste<br>vard/ca | f the prev<br>f the year<br>Sur<br>47 Par<br>Par<br>Par<br>0th<br>75 Pro<br>ed in the<br>rrybac | vious year         nmary of t         t           t  V         t  II.1         er*         vincial or te         Help. Press         k         inform                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | ax<br>                                             |                                       | itext-sensit                          | R<br>5,142 IT<br>D<br>In<br>S<br>O                                                                                                                                                                                                                                              | efunds/cr<br>C refund<br>ividends re<br>stalments<br>urtax credi<br>ther*<br>Balance | edits<br>         | · · · ·     |            | 17,764  |
| Balance of the gene<br>Balance of the gene<br>Part I tax (base amo<br><b>Credits against pa</b><br>Small business dedt<br>M&P deduction<br>Foreign tax credit<br>Investment tax credi<br>Abatement/Other*<br>* The amounts displ<br><b>Summary of f</b><br><b>Carryback amount</b><br>Investment tax credi                                                                                                                                                                | ral rate inco<br>ral rate inco<br>unt)<br>rt I tax<br>uction .<br><br>ts<br>ayed on lin<br>rederal c<br>s                                            | es "Other" a                   | the end o<br>the end o<br><br>7,9<br>4,6<br>are all liste<br>vard/ca | f the prev<br>f the year<br>Sur<br>47 Par<br>Par<br>Par<br>75 Pro<br>ad in the<br>rrybac        | vious year         nmary of t         t           t  V         t  II.1         er*         vincial or te         Help. Press         k         inform                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | ax<br>ax<br>                                       | sult the cor                          | Itext-sensit                          | R         5,142         IT         D         In         S         O         ive help.                                                                                                                                                                                           | efunds/cr<br>C refund<br>ividends re<br>stalments<br>urtax credi<br>ther*<br>Balance | edits<br>         | · · · ·     |            | 17,764  |
| Balance of the gene<br>Balance of the gene<br>Part I tax (base amo<br><b>Credits against pa</b><br>Small business dedu<br>M&P deduction<br>Foreign tax credit<br>Investment tax credit<br>Abatement/Other*<br>* The amounts displ<br><b>Summary of f</b><br>Carryback amount<br>Investment tax credit<br>Non-capital losses<br>Capital losses                                                                                                                             | ral rate inco<br>ral rate inco<br>unt)<br>rt I tax<br>uction .<br><br>ts<br>ayed on lin<br>ederal c<br>s<br>ts<br>                                   | es "Other" a                   | the end o<br>the end o<br><br>7,9<br>4,6<br>are all liste<br>vard/ca | f the prev<br>f the year<br>Sur<br>47 Par<br>Par<br>Par<br>0th<br>75 Pro<br>ad in the<br>rrybac | vious year         nmary of t         t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t   <t< td=""><td>ax<br/>ax<br/>rritorial tax<br/>F1 to cons<br/>ation</td><td>sult the cor</td><td>itext-sensit</td><td>R         5,142       IT         D       In         S       O         ive help.       O         ive help.       O</td><td>efunds/cr<br/>C refund<br/>ividends re<br/>stalments<br/>urtax credi<br/>ther*<br/>Balance</td><td>edits<br/></td><td>· · · ·</td><td></td><td>17,764</td></t<>                                                                                                                                 | ax<br>ax<br>rritorial tax<br>F1 to cons<br>ation   | sult the cor                          | itext-sensit                          | R         5,142       IT         D       In         S       O         ive help.       O         ive help.       O                                                                                                                                                               | efunds/cr<br>C refund<br>ividends re<br>stalments<br>urtax credi<br>ther*<br>Balance | edits<br>         | · · · ·     |            | 17,764  |
| Balance of the gene<br>Balance of the gene<br>Part I tax (base amo<br><b>Credits against pa</b><br>Small business ded<br>M&P deduction<br>Foreign tax credit<br>Investment tax credit<br>Abatement/Other*<br>* The amounts displ<br><b>Summary of f</b><br><b>Carryback amount</b><br>Investment tax credit<br>Non-capital losses<br>Capital losses<br>Farm losses .                                                                                                      | ral rate inco<br>ral rate inco<br>unt)<br>rt I tax<br>uction .<br><br>ts<br>ayed on lin<br>rederal c<br>s<br>ts<br>es                                | es "Other" a                   | the end o<br>the end o<br><br>7,9<br>4,6<br>are all liste<br>vard/ca | f the prev<br>f the year<br>Sur<br>47 Par<br>Par<br>0th<br>75 Pro<br>ed in the<br>rrybac        | vious year         nmary of t         t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t   <t< td=""><td>ax<br/>ax<br/></td><td>sult the cor</td><td>ntext-sensit</td><td>R         5,142       IT          D          In          S          O         ive help.       O          O          O          O          O          O          O          O          O          O          O          O          O          O          O          O          O        </td><td>efunds/cr<br/>C refund<br/>ividends re<br/>stalments<br/>urtax credi<br/>ther*<br/>Balance</td><td>edits<br/></td><td>· · · ·</td><td></td><td>17,764</td></t<> | ax<br>ax<br>                                       | sult the cor                          | ntext-sensit                          | R         5,142       IT          D          In          S          O         ive help.       O          O          O          O          O          O          O          O          O          O          O          O          O          O          O          O          O | efunds/cr<br>C refund<br>ividends re<br>stalments<br>urtax credi<br>ther*<br>Balance | edits<br>         | · · · ·     |            | 17,764  |
| Balance of the gene<br>Balance of the gene<br>Part I tax (base amo<br><b>Credits against pa</b><br>Small business ded<br>M&P deduction<br>Foreign tax credit<br>Investment tax credit<br>Abatement/Other*<br>* The amounts displ<br><b>Summary of f</b><br><b>Carryback amount</b><br>Investment tax credit<br>Non-capital losses<br>Capital losses<br>Farm losses .<br>Restricted farm loss                                                                              | ral rate inco<br>ral rate inco<br>unt)<br>rt I tax<br>uction .                                                                                       | ome pool at<br>ome pool at<br> | the end o<br>the end o<br>7,9<br>4,6<br>are all liste<br>vard/ca     | f the prev<br>f the year<br>Sur<br>47 Par<br>Par<br>Par<br>0th<br>75 Pro<br>ed in the<br>rrybac | vious year         nmary of t         t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t   <t< td=""><td>ax<br/>ax<br/>rritorial tax<br/>F1 to cons<br/>ation —</td><td>sult the cor</td><td>ntext-sensit</td><td>R<br/>5,142 IT<br/>D<br/>In<br/>S<br/>O<br/>Ve help.</td><td>efunds/cr<br/>C refund<br/>ividends re<br/>stalments<br/>urtax credi<br/>ther*<br/>Balance</td><td>edits<br/></td><td>· · · ·</td><td></td><td>17,764</td></t<>                                                                                                                                                                                            | ax<br>ax<br>rritorial tax<br>F1 to cons<br>ation — | sult the cor                          | ntext-sensit                          | R<br>5,142 IT<br>D<br>In<br>S<br>O<br>Ve help.                                                                                                                                                                                                                                  | efunds/cr<br>C refund<br>ividends re<br>stalments<br>urtax credi<br>ther*<br>Balance | edits<br>         | · · · ·     |            | 17,764  |
| Balance of the gene<br>Balance of the gene<br>Part I tax (base amo<br><b>Credits against pa</b><br>Small business dedu<br>M&P deduction<br>Foreign tax credit<br>Investment tax credit<br>Abatement/Other*<br>* The amounts displ<br><b>Summary of f</b><br>Carryback amount<br>Investment tax credi<br>Non-capital losses<br>Capital losses<br>Farm losses<br>Part I tax credit (Sch<br>Federal foreign non-                                                             | ral rate inco<br>ral rate inco<br>unt)<br>rt I tax<br>uction .<br><br>ts<br>ayed on line<br>rederal of<br>s<br>ts<br>es<br>uedule 42)<br>business in | ome pool at<br>ome pool at<br> | the end o<br>the end o<br>7,9<br>4,6<br>are all liste<br>vard/ca     | f the prev<br>f the year<br>Sur<br>47 Par<br>Par<br>Par<br>0th<br>75 Pro<br>ed in the<br>rrybac | vious year         nmary of t         t           t  V         t  V         t  II.1         vincial or te         Help. Press         k inform                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | ax<br>ax<br>rritorial tax<br>F1 to cons<br>ation — | sult the cor                          | ntext-sensit                          | R<br>5,142 IT<br>D<br>In<br>S<br>O<br>Ve help.                                                                                                                                                                                                                                  | efunds/cr<br>C refund<br>ividends re<br>stalments<br>urtax credi<br>ther*<br>Balance | edits<br>         | · · · ·     |            | 17,764  |
| Balance of the gene<br>Balance of the gene<br>Part I tax (base amo<br><b>Credits against pa</b><br>Small business dedt<br>M&P deduction<br>Foreign tax credit<br>Investment tax credit<br>Abatement/Other*<br>* The amounts displ<br><b>Summary of f</b><br><b>Carryback amount</b><br>Investment tax credit<br>Non-capital losses<br>Capital losses<br>Farm losses<br>Part I tax credit (Sch                                                                             | ral rate inco<br>ral rate inco<br>unt)<br>rt I tax<br>uction .<br><br>ts<br>ayed on line<br>rederal of<br>s<br>ts<br>es<br>uedule 42)<br>business in | ome pool at<br>ome pool at<br> | the end o<br>the end o<br>7,9<br>4,6<br>are all liste<br>vard/ca     | f the prev<br>f the year<br>Sur<br>47 Par<br>Par<br>0th<br>75 Pro<br>ed in the<br>rrybac        | vious year         nmary of t         t           t  V         t  V         t  II.1         vincial or te         Help. Press         k inform                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | ax<br>                                             | sult the cor                          | ntext-sensit                          | R<br>5,142 IT<br>D<br>In<br>S<br>O<br>Ve help.                                                                                                                                                                                                                                  | efunds/cr<br>C refund<br>ividends re<br>stalments<br>urtax credi<br>ther*<br>Balance | edits             | · · · ·     |            | 17,764  |
| Balance of the gene<br>Balance of the gene<br>Part I tax (base amo<br><b>Credits against pa</b><br>Small business dedt<br>M&P deduction<br>Foreign tax credit<br>Investment tax credit<br>Abatement/Other*<br>* The amounts displ<br><b>Summary of f</b><br><b>Carryback amount</b><br>Investment tax credit<br>Non-capital losses<br>Capital losses<br>Farm losses<br>Restricted farm loss<br>Part I tax credit (Sch<br>Federal foreign non-<br><b>Carryforward bala</b> | ral rate inco<br>ral rate inco<br>unt)<br>rt I tax<br>uction .                                                                                       | ome pool at<br>ome pool at<br> | the end o<br>the end o<br>7,9<br>4,6<br>are all liste<br>vard/ca     | f the prev<br>f the year<br>Sur<br>47 Par<br>Par<br>0th<br>75 Pro<br>ed in the<br>rrybac        | vious year         nmary of t         t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t   <t< td=""><td>ax<br/></td><td>sult the cor</td><td>ntext-sensit</td><td>R<br/>5,142 IT<br/>D<br/>In<br/>S<br/>O<br/>Ve help.</td><td>efunds/cr<br/>C refund<br/>ividends re<br/>stalments<br/>urtax credi<br/>ther*<br/>Balance</td><td>edits</td><td>· · · ·</td><td></td><td>17,764</td></t<>                                                                                                                                                                                                                                                | ax<br>                                             | sult the cor                          | ntext-sensit                          | R<br>5,142 IT<br>D<br>In<br>S<br>O<br>Ve help.                                                                                                                                                                                                                                  | efunds/cr<br>C refund<br>ividends re<br>stalments<br>urtax credi<br>ther*<br>Balance | edits             | · · · ·     |            | 17,764  |
| Balance of the gene<br>Balance of the gene<br>Part I tax (base amo<br><b>Credits against pa</b><br>Small business dedu<br>M&P deduction Foreign tax credit<br>Investment tax credit<br>Abatement/Other*<br>* The amounts displ<br><b>Summary of f</b><br><b>Carryback amount</b><br>Investment tax credit<br>Non-capital losses<br>Capital losses<br>Farm losses<br>Part I tax credit (Sch<br>Federal foreign non-<br><b>Carryforward bala</b><br>RDTOH                   | ral rate inco<br>ral rate inco<br>unt)<br>rt I tax<br>uction .                                                                                       | es "Other" a                   | the end o<br>the end o<br>7,9<br>4,6<br>are all liste<br>vard/ca     | f the prev<br>f the year<br>Sur<br>47 Par<br>Par<br>0th<br>75 Pro<br>ed in the<br>rrybac        | vious year         nmary of t         t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t           t   <t< td=""><td>ax<br/></td><td>sult the cor</td><td></td><td>R         5,142       IT         D       In         S       O         ive help.       O         ive help.       O        </td><td>efunds/cr<br/>C refund<br/>ividends re<br/>stalments<br/>urtax credi<br/>ther*<br/>Balance</td><td>edits</td><td>· · · ·</td><td></td><td>17,764</td></t<>                                                                                                                                                                                       | ax<br>                                             | sult the cor                          |                                       | R         5,142       IT         D       In         S       O         ive help.       O         ive help.       O                                                                                                                                                               | efunds/cr<br>C refund<br>ividends re<br>stalments<br>urtax credi<br>ther*<br>Balance | edits             | · · · ·     |            | 17,764  |

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## $_{igcases}$ Summary of federal carryforward/carryback information (continued) –

| Gifts of certified cultural property                             |        |
|------------------------------------------------------------------|--------|
| Gifts of certified ecologically sensitive land                   |        |
| Gifts of medicine                                                |        |
| Investment tax credits                                           |        |
| Non-capital losses that can be carried forward over 7 years      |        |
| Non-capital losses that can be carried forward over 10 years     |        |
| Non-capital losses that can be carried forward over 20 years     |        |
| Capital losses/L.P.P.                                            |        |
| Farm losses that can be carried forward over 10 years            |        |
| Farm losses that can be carried forward over 20 years            |        |
| Restricted farm losses that can be carried forward over 10 years |        |
| Restricted farm losses that can be carried forward over 20 years |        |
| Current year's balance of SR&ED expenditures (T661)              |        |
| Foreign business tax credit                                      |        |
| Unused surtax credit (Schedule 37)                               | 3,606  |
| Capital dividend amount                                          |        |
| Part I tax credit (Schedule 42)                                  |        |
| Cumulative eligible capital                                      | 2,057_ |
| Capital gains reserves                                           |        |
| Financial statement reserve                                      |        |
| Other reserves                                                   |        |
| Balance of patronage dividends                                   |        |
| Continuity of exemption of accumulated income                    |        |

| Summary of provincial information – provincial income tax pay         | ·                  | o. //             |                  |
|-----------------------------------------------------------------------|--------------------|-------------------|------------------|
|                                                                       | Ontario<br>(CT-23) | Québec<br>(CO-17) | Alberta<br>(AT1) |
| Net income                                                            | 46,748             |                   |                  |
|                                                                       |                    |                   |                  |
| 6 Allocation                                                          | 100.00             |                   |                  |
| Attributed taxable income                                             |                    |                   |                  |
| Surtax                                                                |                    | N/A               | N/A              |
| Fax payable before deduction*                                         |                    |                   |                  |
| Deductions and credits                                                |                    |                   |                  |
| let tax payable                                                       | 0 574              |                   |                  |
| Attributed taxable capital                                            | 727,789            |                   | N/A              |
| Capital tax payable**                                                 |                    |                   | N/A              |
| Fotal tax payable***                                                  | 2,571              |                   |                  |
| nstalments and refundable credits                                     | 24,000             |                   |                  |
| Balance due/Refund (-)                                                | -21,429            |                   |                  |
| For Québec, this includes special taxes and logging operations.       |                    |                   |                  |
| * For Québec, this includes compensation tax and registration fee.    |                    |                   |                  |
| *** For Ontario, this includes corporate minimum tax and premium tax. |                    |                   |                  |

| □ Summary of provincial information – provincial incom                         | o tax payable (continued) - |                          |               |
|--------------------------------------------------------------------------------|-----------------------------|--------------------------|---------------|
| Summary of provincial mormation – provincial meon                              | British<br>Columbia         | Saskatchewan             | Manitoba      |
| % Allocation                                                                   |                             |                          |               |
| Attributed taxable income                                                      |                             |                          |               |
| Tour such to before deduction *                                                |                             |                          |               |
| Tax payable before deduction*                                                  |                             |                          |               |
| Deductions and credits                                                         |                             |                          |               |
| Tax payable or refundable credit                                               | · · · · · ·                 |                          |               |
| Attributed taxable capital                                                     |                             |                          |               |
| Capital tax payable**                                                          | •••••                       |                          |               |
| Instalments and refundable credits                                             | · · · · · ·                 |                          |               |
| Balance due/Refund (-)                                                         | · · · · · · <u></u>         |                          |               |
| * For British Columbia, this includes the Logging Tax Payable.                 |                             |                          |               |
| ** For Manitoba, this includes the Outstanding Balance Excluding Instalment    | S.                          |                          |               |
| Newfoundland<br>and Labrador                                                   |                             | Nova Scotia              | New Brunswick |
| % Allocation                                                                   |                             |                          |               |
| Attributed taxable income                                                      |                             |                          |               |
| Tax payable before deduction                                                   |                             |                          |               |
| Deductions and credits                                                         |                             |                          |               |
| Tax payable or refundable credit                                               |                             |                          |               |
| 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<br>Territories | Nunavut       |
| % Allocation                                                                   |                             |                          |               |
| Attributed taxable income                                                      |                             |                          |               |
| Tax payable before deduction                                                   |                             |                          |               |
| Deductions and credits                                                         |                             |                          |               |
| Tax payable or refundable credit                                               |                             |                          |               |
|                                                                                | ···· :                      |                          |               |

## $_{\Box}$ Summary of provincial carryforward amounts –

| Non-capital losses that can be carried forward over 7 years        N/A         Non-capital losses that can be carried forward over 10 years        N/A         Non-capital losses that can be carried forward over 20 years        N/A |    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| Non-capital losses that can be carried forward over 10 years       N/A         Non-capital losses that can be carried forward over 20 years       N/A                                                                                  |    |
| Non-capital losses that can be carried forward over 20 years N/A                                                                                                                                                                       |    |
|                                                                                                                                                                                                                                        |    |
| Net capital losses/Listed personal property losses                                                                                                                                                                                     |    |
| Farm losses that can be carried forward over 10 years                                                                                                                                                                                  |    |
| Farm losses that can be carried forward over 20 years                                                                                                                                                                                  |    |
| Restricted farm losses that can be carried forward over 10 years                                                                                                                                                                       |    |
| Restricted farm losses that can be carried forward over 20 years N/A                                                                                                                                                                   |    |
| Donations                                                                                                                                                                                                                              |    |
| Capital gains reserves                                                                                                                                                                                                                 |    |
| Financial statement reserves                                                                                                                                                                                                           |    |
| Other reserves                                                                                                                                                                                                                         |    |
| Eligible capital                                                                                                                                                                                                                       |    |
|                                                                                                                                                                                                                                        |    |
| Other carryforward amounts                                                                                                                                                                                                             |    |
| Ontario                                                                                                                                                                                                                                |    |
| Continuity of other eligible CMT losses – Filling Corporation – OCMT101                                                                                                                                                                | 81 |
| 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                                                                                                                                                                                    |    |
| Ontario current taxation year closing balance in pool of deductible SR&ED expenditures – O161                                                                                                                                          |    |
| Continuity Schedule for Federal ITC relating to SR&ED Expenditures for the Preceding Taxation Year – O161                                                                                                                              |    |
| the Preceding Taxation Year – 0161                                                                                                                                                                                                     |    |
|                                                                                                                                                                                                                                        |    |
| R&D expenditures not deducted at the end of the year – RD-222                                                                                                                                                                          |    |
| Tax credit for fees and dues paid to a research consortium – RD-1029.8.9.03                                                                                                                                                            |    |
| Foreign non-business income tax credits – CO-17S.39                                                                                                                                                                                    |    |
| Non-refundable tax credit for resources – 1029.8.36.EM                                                                                                                                                                                 |    |
| Investment Tax Credit – CO-1029.8.36.IN                                                                                                                                                                                                |    |
| Development work expenses – FM220.3                                                                                                                                                                                                    |    |
| Excess development work expenses – FM220.3                                                                                                                                                                                             |    |
| Balance of patronage dividends – CO-786                                                                                                                                                                                                |    |
| Alberta                                                                                                                                                                                                                                |    |
| Unclaimed SR&ED expenditure pool deduction balance – A16                                                                                                                                                                               |    |
| British Columbia                                                                                                                                                                                                                       |    |
| Scientific research and experimental development – Schedule 425                                                                                                                                                                        |    |
| Manufacturing and processing – Schedule 426                                                                                                                                                                                            |    |
| Manitoba                                                                                                                                                                                                                               |    |
| Research and development – Schedule 380                                                                                                                                                                                                |    |
| Manufacturing investment – Schedule 381                                                                                                                                                                                                |    |
| Co-op education and apprenticeship – Schedule 384                                                                                                                                                                                      |    |
| Odour control – Schedule 385                                                                                                                                                                                                           |    |
| Community enterprise investment – Schedule 387                                                                                                                                                                                         |    |
| Saskatchewan                                                                                                                                                                                                                           |    |
| Royalty tax rebate – Schedule 400                                                                                                                                                                                                      |    |
| Manufacturing and processing investment – Schedule 402                                                                                                                                                                                 |    |
| Research and development – Schedule 403                                                                                                                                                                                                |    |

| ┌ Summary of provincial carryforward amounts (continued) |  |
|----------------------------------------------------------|--|
|                                                          |  |
| Newfoundland and Labrador                                |  |
| Direct equity tax – Schedule 303                         |  |
| Prince Edward Island                                     |  |
| Investment – Schedule 321                                |  |
| Nova Scotia                                              |  |
| Energy efficiency tax credit – Schedule 342              |  |
| Manufacturing and processing investment – Schedule 344   |  |
| New Brunswick                                            |  |
| Research and development – Schedule 360                  |  |
| Nunavut                                                  |  |
| Investment – Schedule 480                                |  |

# **Five-Year Comparative Summary**

|                                                                      | Current year                | 1st prior year        | 2nd prior year         | 3rd prior year                        | 4th prior year |
|----------------------------------------------------------------------|-----------------------------|-----------------------|------------------------|---------------------------------------|----------------|
| <ul> <li>Federal information (T2) —<br/>Taxation year end</li> </ul> | 2008-12-31                  | 2007-12-31            | 2006-12-31             | 2005-12-31                            | 2004-12-31     |
| Net income                                                           |                             | 156,368               |                        |                                       |                |
| Taxable income                                                       | <u> </u>                    |                       | <u> </u>               | 42,651                                | -240,491       |
| Active business income                                               | 46,748                      | <u> </u>              | 141,919                | 42,651                                |                |
| Dividends paid                                                       | 40,/40                      | 150,500               | 141,919                | 42,031                                |                |
| LRIP – end of the                                                    |                             |                       |                        |                                       |                |
| previous year                                                        |                             |                       |                        |                                       |                |
| LRIP – end of the year                                               |                             |                       |                        |                                       |                |
| GRIP – end of the                                                    |                             |                       | ·                      |                                       |                |
| previous year                                                        |                             |                       |                        |                                       |                |
| GRIP – end of the year                                               |                             |                       |                        | · · · ·                               |                |
| Donations                                                            |                             |                       |                        |                                       |                |
| Balance due/refund (-)                                               | 5,142                       | 20,515                | 7,195                  |                                       |                |
|                                                                      |                             |                       |                        |                                       |                |
| - Federal taxes                                                      | E 1 4 2                     | 50.420                | 6 504                  |                                       |                |
| Part I before surtax                                                 | 5,142                       | 59,420                | 6,581                  |                                       |                |
| Surtax                                                               |                             | 1,751                 | 614                    |                                       |                |
| Part I.3<br>Part IV                                                  |                             |                       | ·                      | · · · · · · · · · · · · · · · · · · · |                |
| Part I & Surtax                                                      | 5,142                       | 20,515                | 7,195                  |                                       |                |
| Part III.1                                                           |                             | 20,515                | 7,195                  |                                       |                |
| Other*                                                               |                             |                       |                        |                                       |                |
|                                                                      |                             |                       |                        |                                       |                |
| * The amounts displayed on lines                                     | s "Other" are all listed ir | the help. Press F1 to | consult the context-se | ensative help.                        |                |
| <ul> <li>Credits against part I tax —</li> </ul>                     |                             |                       |                        |                                       |                |
| Small business deduction                                             | 7,947                       | 25,019                | 8,775                  |                                       |                |
| M&P deduction                                                        |                             |                       |                        |                                       |                |
| Foreign tax credit                                                   |                             |                       |                        |                                       |                |
| Political contribution                                               |                             |                       |                        |                                       |                |
| Investment tax credit                                                |                             |                       |                        |                                       |                |
| Abatement/other*                                                     | 4,675                       | 15,637                | 5,485                  |                                       |                |
| * The amounts displayed on lines                                     | s "Other" are all listed ir | the help. Press F1 to | consult the context-se | ensative help.                        |                |
| Dofundo/orodito                                                      |                             |                       |                        |                                       |                |
| - Refunds/credits                                                    |                             |                       |                        |                                       |                |
| ITC refund<br>Dividend refund                                        |                             |                       |                        |                                       |                |
| Instalments                                                          |                             |                       |                        |                                       |                |
| Surtax credit                                                        |                             |                       |                        |                                       |                |
|                                                                      |                             |                       |                        |                                       |                |
| Other*                                                               |                             |                       |                        |                                       |                |

\* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensative help.

| – Ontario – – – – – – – – – – – – – – – – – – – |            |            |            |            |            |
|-------------------------------------------------|------------|------------|------------|------------|------------|
| Taxation year end                               | 2008-12-31 | 2007-12-31 | 2006-12-31 | 2005-12-31 | 2004-12-31 |
| Net income                                      | 46,748     |            |            |            |            |
| Taxable income                                  | 46,748     |            |            |            |            |
| % Allocation                                    | 100.00     |            |            |            |            |
| Attributed taxable income                       | 46,748     | 156,368    | 54,846     |            |            |
| Surtax                                          |            |            |            |            |            |
| Income tax payable before deduction             | 6,545      | 21,892     | 7,678      |            |            |
| Income tax deductions<br>/credits               | 3,974      | 13,291     | 4,662      |            |            |
| Net income tax payable                          | 2,571      | 8,601      | 3,016      |            |            |
| Taxable capital                                 | 727,789    | 1,169,256  | 722,244    | 1,113,215  | 777,630    |
| Capital tax payable                             |            |            |            |            |            |
| Total tax payable*                              | 2,571      | 8,601      | 3,016      |            |            |
| Instalments and                                 |            |            |            |            |            |
| refundable credits                              | 24,000     | 26,003     |            |            |            |
| Balance due/refund**                            | -21,429    | -17,402    | 3,016      | -18,000    | -24,000    |
|                                                 |            |            |            |            |            |

<sup>\*</sup> For taxation years ending before January 1, 2009, this includes the corporate minimum tax and the premium tax. For taxation years ending after December 31, 2008, this includes the corporate minimum tax, the Crown royalties' additional tax, the transitional tax debit, the recaptured research and development tax credit and the special additional tax debit on life insurance corporations.

\*\* For taxation years ending after December 31, 2008, the Balance due/Refund is included in the federal Balance due/refund.

| Canada Reve<br>Agency                  | ue Agence du revenu<br>du Canada                                                                                                                                                                                                                                                                                                                               |          |             |               |
|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-------------|---------------|
|                                        | Business Consent form                                                                                                                                                                                                                                                                                                                                          |          |             |               |
| for an existing represe                | onsent to the release of confidential information about your program account(s) to the representative name tative. <b>Send this completed form to your tax centre (see Instructions).</b> Make sure you complete this that you provided. You can also give <b>or</b> cancel consent by providing the requested information online throus <b>sinessaccount.</b> | form cor | rrectly, si | nce we cannot |
| Note: Read all the ins                 | tructions before completing this form.                                                                                                                                                                                                                                                                                                                         |          |             |               |
| ⊢ Part 1 – Busine                      | ss information                                                                                                                                                                                                                                                                                                                                                 |          |             |               |
| Complete this part to                  | identify your business (all fields have to be completed)                                                                                                                                                                                                                                                                                                       |          |             |               |
| Business name:                         | HYDRO 2000 INC.                                                                                                                                                                                                                                                                                                                                                |          |             |               |
| BN: 8659                               | Telephone number:         (613) 679-4093                                                                                                                                                                                                                                                                                                                       |          |             |               |
| Part 2 – Author                        | ize a representative – Complete either part a) or b)                                                                                                                                                                                                                                                                                                           |          |             |               |
| a) Authorize access                    | by telephone, fax, mail or in person by appointment                                                                                                                                                                                                                                                                                                            |          |             |               |
| us to deal with a s                    | nsent for an individual, enter that person's full name. If you are giving consent to a firm, enter the name an<br>ecific individual in that firm, enter <b>both</b> the individual's name and the firm's name and BN. If you do not ide<br>us consent to deal with anyone from that firm.                                                                      |          |             |               |
| Note: If you are a<br>number is requir | uthorizing a representative (individual or firm) who is not registered with the Represent a client s<br>cd.                                                                                                                                                                                                                                                    | ervice,  | the pho     | ne            |
| Name of Individual:                    |                                                                                                                                                                                                                                                                                                                                                                |          |             |               |
| Name of Firm:                          |                                                                                                                                                                                                                                                                                                                                                                |          |             |               |
| Telephone number:                      | Extension: BN:                                                                                                                                                                                                                                                                                                                                                 |          |             |               |
|                                        | OR                                                                                                                                                                                                                                                                                                                                                             |          |             |               |
| b) Authorize online                    | access (includes access by telephone, fax, mail or by appointment)                                                                                                                                                                                                                                                                                             |          |             |               |
| "Represent a Clier                     | your representative to deal with us through our online service for representatives. The Business Number m<br>t" service to be an online representative. <b>Our online service does not have a year-specific option, so</b><br>to all years. Please enter the name and RepID of the individual or GroupID and name of the group or name                         | your re  | presenta    | ative         |
| Name of individual:                    |                                                                                                                                                                                                                                                                                                                                                                | and      | RepID       | :             |
| OR                                     |                                                                                                                                                                                                                                                                                                                                                                |          | _           | -             |
| Name of group:                         |                                                                                                                                                                                                                                                                                                                                                                | and      | Group       | DID: G        |
|                                        | DELOITTE.                                                                                                                                                                                                                                                                                                                                                      | and      | BN:         | 133245290     |
| Telephone number:                      | (613) 632-4178 Extension:                                                                                                                                                                                                                                                                                                                                      |          |             |               |
| <br>Part 3 Soloct                      | the program accounts, years and authorization level                                                                                                                                                                                                                                                                                                            |          |             |               |
|                                        |                                                                                                                                                                                                                                                                                                                                                                |          |             |               |
|                                        | <b>s</b> – Select the program accounts the above individual or firm is authorized to access (tick only box A <b>or</b>                                                                                                                                                                                                                                         | В).      |             |               |
| A. X This author                       | zation applies to all program accounts and all years.                                                                                                                                                                                                                                                                                                          |          |             |               |
| Expiry date                            |                                                                                                                                                                                                                                                                                                                                                                |          |             |               |
| Autho                                  | AND<br>rization level (tick level 1 or 2)                                                                                                                                                                                                                                                                                                                      |          |             |               |
|                                        | lets CRA disclose information only on your program account(s); or                                                                                                                                                                                                                                                                                              |          |             |               |
|                                        | lets CRA disclose information and accept changes to your program account(s).                                                                                                                                                                                                                                                                                   |          |             |               |
|                                        | OR                                                                                                                                                                                                                                                                                                                                                             |          |             |               |
| B. This author<br>complete 3           | zation applies only to program accounts and periods listed in Part 3b). If you ticked this option, you must<br>).                                                                                                                                                                                                                                              |          |             |               |



## Business Consent form (RC59 continued)

## $_{ar{}}$ Part 3 – Select the program accounts, years and authorization level (continued) -

b) Details of program accounts and fiscal periods - Complete this area only if you ticked box B in Part 3a) on page 1.

If you ticked box B in part 3a), you have to provide at least one program identifier. You can then tick the "All program accounts" box for that program identifier or enter a reference number. Provide the authorization level (tick either box 1 to disclose information or box 2 to disclose information and accept changes to your program account).

You can also tick the "All years" box to allow unlimited tax year access **or** enter a specific fiscal period (specific period authorization **is not available** for online access). You can also enter an expiry date to automatically cancel authorization. If more authorizations or more than four program identifiers are needed, complete another Form RC59.

| Program<br>identifier | All program Reference accounts number | Authorization<br>level | All<br>years | or | Specific fiscal period<br>(not available for online access) | Expiry date |
|-----------------------|---------------------------------------|------------------------|--------------|----|-------------------------------------------------------------|-------------|
|                       |                                       | 1 2                    |              |    | Year-end                                                    |             |
|                       | or                                    |                        |              | or |                                                             |             |
|                       | or                                    |                        |              | or |                                                             |             |
|                       | or                                    |                        |              | or |                                                             |             |
|                       | or                                    |                        |              | or |                                                             |             |

#### □ Part 4 – Cancel one or more authorizations

| Complete this part <b>only</b> to cancel authorization(s)                           |     |            |
|-------------------------------------------------------------------------------------|-----|------------|
| A. Cancel all authorizations.                                                       |     |            |
| <b>B.</b> Cancel authorization for the individual, group, or firm identified below. |     |            |
| C. Cancel authorization for specific program account(s)                             |     |            |
| Name of Individual:                                                                 | and | RepID:     |
|                                                                                     | and | GroupID: G |
| OR Name of Firm:                                                                    | and | BN:        |

### Part 5 – Certification

This form has to be signed by an authorized person of the business such as an owner, a partner of a partnership, a director of a corporation, an officer of a non-profit organization or a trustee of an estate. By signing and dating this form, you authorize the CRA to deal with the individual, group, or firm listed in Part 2 of this form or cancel the authorizations listed in Part 4.

| First name: | RENÉ | Last name:BE | AULNE          |
|-------------|------|--------------|----------------|
| Sign here   | ▶    | Da           | ate 2011-07-26 |

We wil not process this form unless it is signed and dated by an authorized person of the business.

The Privacy Act protects information given on this form, which is kept in personal information bank numbers CRA PPU-175 and 223.

# **Federal Tax Instalments**

### - Federal tax instalments

For the taxation year ended 2010-12-31

The following is a list of federal instalments payable for the current taxation year. The last column indicates the instalments payable to Revenue Canada. The instalments are due no later than on the dates indicated, otherwise non-deductible interest will be charged. A cheque or money order should be made payable to the Receiver General. Payment may be made by cheque or money order payable to the Receiver General either to an authorized financial institution or filed with **the appropriate remittance voucher to the following address**:

#### Canada Revenue Agency 875 Heron Road Ottawa ON K1A 1B1

Note that you may also be able to pay by telephone or Internet banking. For more information, consult the Corporation Instalment Guide.

### Monthly instalment workchart

| Date       | Monthly tax instalments | Instalments<br>paid | Cumulative difference | Instalments<br>payable |
|------------|-------------------------|---------------------|-----------------------|------------------------|
| 2010-01-31 |                         |                     |                       |                        |
| 2010-02-28 |                         |                     |                       |                        |
| 2010-03-31 |                         |                     |                       |                        |
| 2010-04-30 |                         |                     |                       |                        |
| 2010-05-31 |                         |                     |                       |                        |
| 2010-06-30 |                         |                     |                       |                        |
| 2010-07-31 |                         |                     |                       |                        |
| 2010-08-31 |                         |                     |                       |                        |
| 2010-09-30 |                         |                     |                       |                        |
| 2010-10-31 |                         |                     |                       |                        |
| 2010-11-30 |                         |                     |                       |                        |
| 2010-12-31 |                         |                     |                       |                        |
|            |                         |                     |                       |                        |
|            |                         |                     |                       |                        |
|            |                         |                     |                       |                        |
| Total      |                         |                     |                       |                        |

### Quarterly instalment workchart

| Date                       | Quarterly tax<br>instalments | Instalments<br>paid | Cumulative difference | Instalments<br>payable |
|----------------------------|------------------------------|---------------------|-----------------------|------------------------|
| 2010-03-31                 | 2,556                        |                     |                       | 2,556                  |
| 2010-06-30                 | 2,556                        |                     |                       | 2,556                  |
| 2010-09-30                 | 2,556                        |                     |                       | 2,556                  |
| 2010-12-31                 | 2,553                        |                     |                       | 2,553                  |
| Total                      | 10,221                       |                     |                       | 10,221                 |
| Instalment method —        |                              |                     |                       |                        |
| ndicate instalment method  | I chosen [1-3] 1             |                     |                       |                        |
| 1st Instalment base method | 1                            |                     |                       |                        |

If payment of instalments other than quarterly instalments is delayed, indicate the MONTH in which you want them to begin (1=January, 2=February, etc.).

Select this box if you want the instalments to be calculated without taking the applicable threshold into account

1

| C Quarte         | rly instalments calculation                                                                                                                          |                   |                          |                |
|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|--------------------------|----------------|
| The corpo        | pration must meet requirements 1 to 5 to be eligible for quarterly in                                                                                | stalments for a   | tax year.                |                |
| 1 – Is the       | e corporation a Canadian-controlled private corporation (CCPC)?                                                                                      |                   |                          | X Yes No       |
| 2 – Did t        | he corporation claim any deduction under the section 125, during e                                                                                   | either the currer | nt or previous year?     |                |
| 3 – Is the       | e corporation's, or any of its associated corporations', taxable incor<br>than or equal to \$500,000?*                                               |                   |                          | X Yes No       |
| 4 – Is the       | e corporation and any associated corporations' taxable capital emp<br>ne current or previous year less than or equal to \$10,000,000?                | loyed in Canad    | а                        | X Yes No       |
| 5 – Does         | the corporation have a perfect compliance history in the last 12 m                                                                                   | onths?            |                          | X Yes No       |
| lf you do        | not want to use the quarterly instalments option, select this box to                                                                                 | go back to mon    | thly instalments.        |                |
| *Consult f       | the Help (F1) for information on the changes relating to years subs                                                                                  | equent to 2008    |                          |                |
| _ 1 <b>–</b> 1st | Instalment base method                                                                                                                               |                   |                          |                |
| 1st Instalı      | ment base amount (amount N below)                                                                                                                    |                   | 10,221 ÷ 12 =            | 852            |
|                  |                                                                                                                                                      | Monthly i         | nstalments required      | 852            |
| Quarterly        | tax instalments required                                                                                                                             |                   | 10,221 ÷ 4 =             | 2,556          |
|                  |                                                                                                                                                      |                   |                          |                |
| Select this      | nbined 1st and 2nd instalment base method<br>s box if you want the first 2 payments* to be calculated<br>king the applicable threshold into account? |                   |                          |                |
| 2nd Mon          | thly instalment base amount                                                                                                                          |                   |                          |                |
| Indicate:        | Part I tax                                                                                                                                           |                   | 5,142                    |                |
|                  | Part VI, VI.1 and XIII.1 tax                                                                                                                         | +                 |                          |                |
|                  | Federal adjustment for amalgamation, winding up or transfer                                                                                          | +                 |                          |                |
|                  | Provincial tax, other than Alberta, Québec and Ontario                                                                                               |                   |                          |                |
|                  | Ontario tax**                                                                                                                                        |                   | 2,571                    |                |
|                  | Provincial adjustment for amalgamation, winding up or transfer                                                                                       | <u> </u>          |                          | <b>642</b>     |
| 1/10 of or       |                                                                                                                                                      | Total =           | <u>7,713</u> ÷ 12 =      | 643 A          |
| 1/12 01 05       | stimated current year credits (M below /12)  Each of                                                                                                 | the first two i   | <br>nstalment payments = | 643 <b>B</b>   |
| Total tax        | from N below                                                                                                                                         | the mat two i     | 10,221                   |                |
|                  | B above x 2                                                                                                                                          |                   | 1,286                    |                |
|                  |                                                                                                                                                      | =                 | 8,935 ÷ 10 =             | 894            |
|                  | Each of the r                                                                                                                                        | emaining ten i    | nstalment payments =     | 894            |
| and Que          | tarly instalment been amount                                                                                                                         |                   |                          |                |
| Indicate:        | r <b>terly instalment base amount</b><br>Part I tax                                                                                                  |                   | 5,142                    |                |
| maicate.         | Part VI, VI.1 and XIII.1 tax                                                                                                                         | +                 | 5,112                    |                |
|                  | Federal adjustment for amalgamation, winding up or transfer                                                                                          | +                 |                          |                |
|                  | Provincial tax, other than Alberta, Québec and Ontario                                                                                               | +                 |                          |                |
|                  | Ontario tax**                                                                                                                                        | +                 | 2,571                    |                |
|                  | Provincial adjustment for amalgamation, winding up or transfer                                                                                       | +                 |                          |                |
|                  |                                                                                                                                                      | Total =           | 7,713 ÷ 4 =              | 1,929 <b>A</b> |
| 1/4 of est       | imated current year credits (M below /4)                                                                                                             |                   |                          |                |
|                  |                                                                                                                                                      | The first         | instalment payment =     | В              |
| Total tax        | from N below                                                                                                                                         |                   | 10,221                   |                |
| Amount E         |                                                                                                                                                      |                   | ,                        |                |
|                  |                                                                                                                                                      | =                 | 10,221 ÷ 3 =             | 3,407          |
|                  | Each of the ren                                                                                                                                      | naining three i   | nstalment payments =     |                |
|                  | e first payment if the quarterly instalments are applicable.<br>is line only to calculate instalments payable with regard to taxation                | years ending in   | n 2009 and after.        |                |
|                  | imated tax method                                                                                                                                    |                   |                          |                |
|                  |                                                                                                                                                      |                   |                          |                |
| instaimen        | it base amount (amount N below)                                                                                                                      |                   | $\div$ 12 = _            |                |
|                  |                                                                                                                                                      | wonthivi          | nstalments required      |                |

Quarterly tax instalments required

÷ 4 =

| ederal tax                                                                                                                                                                                                                                        | 1st instalment<br>base method        | Estimated tax method             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|----------------------------------|
| Taxable income                                                                                                                                                                                                                                    | 61,951                               |                                  |
| Calculation of tax payable                                                                                                                                                                                                                        |                                      |                                  |
| Federal part I tax                                                                                                                                                                                                                                | 23,541                               |                                  |
| Recapture of investment tax credit +                                                                                                                                                                                                              | +                                    | +                                |
| Refundable tax on a CCPC's investment income +                                                                                                                                                                                                    | +                                    | +                                |
| Subtotal =                                                                                                                                                                                                                                        | = 23,541                             | =                                |
| Deduction                                                                                                                                                                                                                                         |                                      |                                  |
| Small business deduction                                                                                                                                                                                                                          | 10,532                               |                                  |
| Investment corporation deduction +                                                                                                                                                                                                                | 10,552                               | +                                |
| Federal tax abatement +                                                                                                                                                                                                                           | 6,195                                | +                                |
| Manufacturing and processing profits deduction +                                                                                                                                                                                                  | 0,195                                | +                                |
| Non-business foreign tax credit +                                                                                                                                                                                                                 |                                      | ·                                |
|                                                                                                                                                                                                                                                   | ۲<br>                                | +                                |
| Business foreign tax credit +                                                                                                                                                                                                                     | F                                    | +                                |
| Tax reduction, general and accelerated +                                                                                                                                                                                                          | F                                    | +                                |
| Logging tax credit +                                                                                                                                                                                                                              | r                                    | т                                |
| Investment tax credit per Schedule 31 +                                                                                                                                                                                                           | F                                    | Ť                                |
| Qualifying environmental trust tax credit +                                                                                                                                                                                                       |                                      | +                                |
| Subtotal =                                                                                                                                                                                                                                        | =16,727                              | = I                              |
| Federal tax summary                                                                                                                                                                                                                               |                                      |                                  |
| Total part I tax payable (A minus B)                                                                                                                                                                                                              | 6,814                                | (                                |
| Part VI tax +                                                                                                                                                                                                                                     | +                                    | +                                |
| Part VI.1 tax +                                                                                                                                                                                                                                   |                                      | + E                              |
| Part XIII.1 tax +                                                                                                                                                                                                                                 |                                      | +E                               |
| Parts I, VI, VI.1 and XIII.1 Total =                                                                                                                                                                                                              | = 6,814                              | =                                |
| divided by the number of days in the year if less than 365 Subtotal Federal adjustment for amalgamation, winding up or transfer                                                                                                                   | 4 <u>365 / 365</u><br>= <u>6,814</u> | x <u>365 / 365</u><br>=<br>+ N/A |
| Total federal tax after adjustments                                                                                                                                                                                                               | 6,814                                | = (                              |
|                                                                                                                                                                                                                                                   |                                      | `                                |
| rovincial tax                                                                                                                                                                                                                                     |                                      |                                  |
| Provincial/territorial tax, other than Alberta, Québec and Ontario +                                                                                                                                                                              | L.                                   | +                                |
|                                                                                                                                                                                                                                                   |                                      | · I                              |
| <b>Ontario tax</b><br>Use this section only to calculate instalments payable with regard to taxation<br>years ending in 2009 and after (for other tax years, see the <i>Ontario Tax</i><br><i>Instalments</i> schedule (Jump Code: <b>ION</b> )): |                                      |                                  |
| Income tax 3,407                                                                                                                                                                                                                                  |                                      |                                  |
| Capital tax +                                                                                                                                                                                                                                     |                                      |                                  |
| Corporate minimum tax paid (credited) +                                                                                                                                                                                                           |                                      |                                  |
| Special additional tax on life insurance corporations +                                                                                                                                                                                           | +                                    |                                  |
| Total Ontario tax* = 3,407                                                                                                                                                                                                                        | 3,407                                | +                                |
| Harmonized provincial tax (H + I) Total harmonized provincial tax =                                                                                                                                                                               | =3,407_                              | =,                               |
| Provincial adjustments<br>Adjustment for short taxation years multiplied by 365 and                                                                                                                                                               |                                      |                                  |
| divided by the number of days in the year if less than 365 ×                                                                                                                                                                                      | < <u> </u>                           | x <u>365 / 365</u>               |
| Subtotal =                                                                                                                                                                                                                                        | =3,407                               | =                                |
| Provincial adjustment for amalgamation, winding up or transfer +                                                                                                                                                                                  | <u> </u>                             | + N/A                            |
| Total provincial tax after adjustments                                                                                                                                                                                                            | = 3,407                              | =                                |
|                                                                                                                                                                                                                                                   |                                      |                                  |
| Total of tax before refundable credits** (G + K) =                                                                                                                                                                                                | = 10,221                             | -                                |

| │ Instalment base calculation (continued)       |        |   |   |
|-------------------------------------------------|--------|---|---|
| Estimated current year credits                  |        |   |   |
| Investment tax credit refund                    |        |   |   |
| Dividend refund                                 | +      | + |   |
| Federal capital gains refund                    | +      | + |   |
| Provincial and territorial capital gains refund | +      | + |   |
| NRO allowable refund per Schedule 26            | +      | + |   |
| Tax withheld at source                          | +      | + |   |
| Other estimated credits                         | +      | + |   |
| Total estimated current year credits            | =      | = | М |
| Instalment base amount (L – M)                  | 10,221 |   | N |

\* Ontario tax corresponds to the amount before the application of specified Ontario tax credits.

\*\* For instalments payable the amount on line G is not added to line L unless it exceeds \$3,000. The same rule applies to line K.

2009-12-31

Do not use this area

055

200



evenue Agence du revenu du Canada

#### **T2 CORPORATION INCOME TAX RETURN**

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

Parts, sections, subsections, paragraphs, and subparagraphs mentioned on this return refer to the federal *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing.

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

For more information see **www.cra.gc.ca** or Guide T4012, *T2 Corporation – Income Tax Guide*.

| - Identification                                                              |                                                  |                                                                                                                              |                           |  |
|-------------------------------------------------------------------------------|--------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|---------------------------|--|
| Business Number (BN)                                                          | 001 86595 5397 RC0001                            |                                                                                                                              |                           |  |
| Corporation's name                                                            |                                                  | To which tax year does this return apply?                                                                                    |                           |  |
| 002 HYDRO 2000 INC.                                                           |                                                  | Tax year start                                                                                                               | Tax year-end              |  |
| Address of head office                                                        |                                                  | 060 2009-01-01 06                                                                                                            |                           |  |
| Has this address changed since the last                                       |                                                  | YYYY MM DD                                                                                                                   | YYYY MM DD                |  |
| time you filed your T2 return?                                                | 010 1 Yes 2 No X                                 | Has there been an acquisition of control                                                                                     |                           |  |
| (If yes, complete lines 011 to 018.)                                          |                                                  | to which subsection 249(4) applies since<br>the previous tax year?                                                           | 3 1 Yes 2 No X            |  |
| 011 265, RUE ST-PHILIPPE                                                      |                                                  | If <b>yes</b> , provide the date                                                                                             |                           |  |
| 012<br>City                                                                   | Province, territory, or state                    | control was acquired                                                                                                         | 5                         |  |
| 015 ALFRED                                                                    | 016 ON                                           |                                                                                                                              | YYYY MM DD                |  |
| Country (other than Canada)                                                   | Postal code/Zip code                             | Is the date on line 061 a deemed                                                                                             |                           |  |
| 017                                                                           | 018 K0B 1A0                                      | tax year-end in accordance with subsection 249(3.1)?                                                                         | 6 1 Yes 2 No 🗙            |  |
| Mailing address (if different from head of                                    | office address)                                  | Is the corporation a professional                                                                                            |                           |  |
| Has this address changed since the last time you filed your T2 return?        | 020 1 Yes 2 No X                                 | corporation that is a member of                                                                                              |                           |  |
| (If <b>yes</b> , complete lines 021 to 028.)                                  |                                                  | a partnership? 00                                                                                                            | 7 1 Yes 2 No X            |  |
| <b>021</b> c/o                                                                |                                                  | Is this the first year of filing after:                                                                                      |                           |  |
| 022                                                                           |                                                  | Incorporation?                                                                                                               |                           |  |
| 023                                                                           |                                                  | Amalgamation?                                                                                                                |                           |  |
| City                                                                          | Province, territory, or state                    | If yes, complete lines 030 to 038 and attach Sch                                                                             | edule 24.                 |  |
| 025                                                                           | 026                                              | Has there been a wind-up of a                                                                                                |                           |  |
| Country (other than Canada)                                                   | Postal code/Zip code                             | subsidiary under section 88 during the current tax year?                                                                     | 2 1 Yes 2 No X            |  |
| 027                                                                           | 028                                              | If yes, complete and attach Schedule 24.                                                                                     |                           |  |
| Location of books and records                                                 |                                                  | Is this the final tax year                                                                                                   |                           |  |
| Has the location of books and records changed since the last time you filed   |                                                  | before amalgamation?07                                                                                                       | 6 1 Yes 2 No X            |  |
| your T2 return?                                                               | 030 1 Yes 2 No X                                 | Is this the final return up to                                                                                               |                           |  |
| (If <b>yes</b> , complete lines 031 to 038.)                                  |                                                  | dissolution?07                                                                                                               | 8 1 Yes 2 No X            |  |
| 031                                                                           |                                                  | If an election was made under                                                                                                |                           |  |
| 032 265, RUE ST-PHILIPPE                                                      |                                                  | section 261, state the functional 07                                                                                         | <b>'</b> 9                |  |
| City                                                                          | Province, territory, or state                    |                                                                                                                              |                           |  |
| 035 ALFRED<br>Country (other than Canada)                                     | 036 ON<br>Postal code/Zip code                   | Is the corporation a resident of Canada?                                                                                     | ntry of residence on line |  |
| 037                                                                           | 038 KOB 1A0                                      | <b>080</b> 1 Yes <b>X</b> 2 No If <b>no</b> , give the country of residence on line 081 and complete and attach Schedule 97. |                           |  |
|                                                                               |                                                  | 081                                                                                                                          |                           |  |
| 040 Type of corporation at the end of                                         | of the tax year                                  | Is the non-resident corporation                                                                                              |                           |  |
| 1 X Canadian-controlled private corporation (CCPC)                            | 4 Corporation controlled by a public corporation | claiming an exemption under<br>an income tax treaty?                                                                         | 2 1 Yes 2 No X            |  |
| 2 Other private corporation                                                   | 5 Other corporation (specify, below)             | If yes, complete and attach Schedule 91.<br>If the corporation is exempt from tax under s                                    |                           |  |
| 3 Public                                                                      |                                                  | tick one of the following boxes:                                                                                             |                           |  |
| Corporation                                                                   |                                                  | 085 1 Exempt under paragraph 149(1                                                                                           | )(e) or (l)               |  |
| If the type of corporation changed during the tax year, provide the effective |                                                  | 2 Exempt under paragraph 149(1                                                                                               | )(j)                      |  |
| date of the change.                                                           | 043                                              | 3 Exempt under paragraph 149(1                                                                                               | )(t)                      |  |
|                                                                               | YYYY MM DD                                       | 4 Exempt under other paragraphs                                                                                              | s of section 149          |  |
|                                                                               |                                                  | e this area                                                                                                                  |                           |  |
| 091 092                                                                       | 093                                              | 094 095                                                                                                                      | 096                       |  |
| 100                                                                           |                                                  |                                                                                                                              |                           |  |

Canadä

| - 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 Sched   |
|                                                                                                                                                                                                                                               |             |
| Is the corporation related to any other corporations?                                                                                                                                                                                         | 9           |
| Is the corporation an associated CCPC?                                                                                                                                                                                                        | 23          |
| Is the corporation an associated CCPC that is claiming the expenditure limit?                                                                                                                                                                 | 49          |
| Does the corporation have any non-resident shareholders? 151                                                                                                                                                                                  | 19          |
| Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents | 11          |
| If you answered <b>yes</b> 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? <b>163</b>           | 44          |
| Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?                                                                                                                                    | 14          |
| Is the corporation claiming a deduction for payments to a type of employee benefit plan?                                                                                                                                                      | 15          |
| Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?                                                                                                                                            | T500        |
| Is the corporation a member of a partnership for which a partnership identification number has been assigned?                                                                                                                                 |             |
| Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did<br>not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust?         | 22          |
| Did the corporation have any foreign affiliates during the year?                                                                                                                                                                              | 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> ?                                                                                        |             |
| Has the corporation had any non-arm's length transactions with a non-resident?                                                                                                                                                                |             |
| For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?                                                                                                 |             |
| Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?                                                                                                                   |             |
| 201                                                                                                                                                                                                                                           | <b>X</b> 1  |
| Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?                                                                                                                          | 2           |
|                                                                                                                                                                                                                                               | 3           |
|                                                                                                                                                                                                                                               |             |
|                                                                                                                                                                                                                                               | 4           |
| Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?                                                                                                   | <b>X</b> 5  |
| Has the corporation realized any capital gains or incurred any capital losses during the tax year?                                                                                                                                            | 6           |
| i) Is the corporation (or its associated corporations) claiming the small business deduction and reporting income from: a) property                                                                                                           | 0           |
| (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<br>ii) does the corporation have aggregate investment income at line 440?                     | 7           |
| Does the corporation have any property that is eligible for capital cost allowance? 208                                                                                                                                                       | <b>X</b> 8  |
| Does the corporation have any property that is eligible capital property? 210                                                                                                                                                                 | <b>X</b> 10 |
| Does the corporation have any resource-related deductions? 212                                                                                                                                                                                | 12          |
| Is the corporation claiming deductible reserves?                                                                                                                                                                                              | 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?                                                                                                                 | 10          |
| 040                                                                                                                                                                                                                                           |             |
|                                                                                                                                                                                                                                               | 18          |
| Is the corporation carrying on business in Canada as a non-resident corporation?                                                                                                                                                              | 20          |
| Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?                                                                                                                  | 21          |
| Does the corporation have any Canadian manufacturing and processing profits?                                                                                                                                                                  | 27          |
| Is the corporation claiming an investment tax credit?                                                                                                                                                                                         | 31          |
| Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?                                                                                                                                        | T66         |
| Is the total taxable capital employed in Canada of the corporation and its related corporations over \$10,000,000?                                                                                                                            |             |
| Is the total taxable capital employed in Canada of the corporation and its associated corporations over \$10,000,000?                                                                                                                         |             |
| Is the corporation claiming a surtax credit?                                                                                                                                                                                                  | 37          |
| Is the corporation subject to gross Part VI tax on capital of financial institutions?                                                                                                                                                         | 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?                                                                                                             | 43          |
| Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?                                                                                                                                                                 | 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?                                                                                                                                                                                                    | 39          |
| Is the corporation claiming a Canadian film or video production tax credit refund?                                                                                                                                                            | T113        |
| Is the corporation claiming a film or video production services tax credit refund?                                                                                                                                                            | T117        |
| Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)                                                                                                                          | 92          |

| ─ Attachments – continued from page 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Schedule                                                                                                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| Did the corporation have any foreign affiliates that are not controlled foreign affiliates?       256         Did the corporation have any controlled foreign affiliates?       258         Did the corporation own specified foreign property in the year with a cost amount over \$100,000?       259         Did the corporation transfer or loan property to a non-resident trust?       260         Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?       261         Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?       262         Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?       263         Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?       264         Did the corporation made an election under subsection 89(11) not to be a CCPC?       265         Has the corporation revoked any previous election made under subsection 89(11)?       267         Did the corporation (CCPC or deposit insurance corporation (DIC)) pay eligible dividends, or did its general rate income pool (GRIP) change in the tax year?       268         Did the corporation (other than a CCPC or DIC) pay eligible dividends, or did its low rate income pool (LRIP) change in the tax year?       268 | T1134-A<br>T1134-B<br>T1135<br>T1141<br>T1142<br>T1145<br>T1145<br>T1146<br>T1174<br>55<br>T2002<br>T2002<br>53<br>54 |
| ⊢ Additional information —                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                       |
| Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?       270       1 Yes         Is the corporation inactive?       280       1 Yes       1 Yes         Has the major business activity changed since the last return was filed? (enter yes for first-time filers)       281       1 Yes         What is the corporation's major business activity?       282         (only complete if yes was entered at line 281)       283       1 Wholesale       2 F         Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the       284       DISTRIBUTION D'ÉLECT       285       100                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 2 No X<br>2 No X<br>2 No X<br>Retail X<br>.000 %<br>%                                                                 |
| approximate percentage of the total revenue that each       200       200       200         product or service represents.       288       289       289                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | %                                                                                                                     |
| Did the corporation emigrate from Canada during the tax year?       292       1 Yes         Do you want to be considered as a quarterly instalment remitter if you are eligible?       293       1 Yes         If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide       294       294         YYYY<                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 2 No X<br>2 No X<br>2 No DD<br>2 No 2                                                                                 |
| ┌─Taxable income ────────────────────────────────────                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                       |
| 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         Gifts of medicine from Schedule 2       314         Gifts of medicine from Schedule 2       314         Taxable dividends deductible under section 112 or 113, or subsection 138(6)       320         From Schedule 3       325         Part VI.1 tax deduction*       325         Non-capital losses of previous tax years from Schedule 4       331         Net capital losses of previous tax years from Schedule 4       333         Farm losses of previous tax years from Schedule 4       334         Limited partnership losses of previous tax years from Schedule 4       334         Taxable capital gains or taxable dividends allocated from a central credit union       340         Prospector's and grubstaker's shares       Subtotal                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <u>1,951</u> А<br>В<br>1,951 С                                                                                        |
| Add:       Section 110.5 additions or subparagraph 115(1)(a)(vii) additions       355                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | D                                                                                                                     |
| Taxable income (amount C plus amount D)       360                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 1,951                                                                                                                 |
| Income exempt under paragraph 149(1)(t)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 1.051                                                                                                                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <u>1,951</u> z                                                                                                        |
| * This amount is equal to 3 times the Part VI.1 tax payable at line 724.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                       |

| ┌ Small business deduction ────────────────────────────────────                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Canadian-controlled private corporations (CCPCs) throughout the tax year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Income from active business carried on in Canada from Schedule 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Taxable income from line 360, minus 10/3 of the amount on line 632*, minus 1/(0.38 - X**)       3         times the amount on line 636***, and minus any amount that, because of federal law, is exempt form Part I tax                                                                                                                                                                                                                                                                                                                                              |
| Calculation of the business limit:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| For all CCPCs, calculate the amount at line 4 below.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 400,000 × Number of days in the tax year before 2009 = 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Number of days in the tax year 365                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 500,000 × Number of days in the tax year after 2008 365 = 500,000 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Number of days in the tax year 365                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Add amounts at lines 1 and 2 500,000 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Business limit (see notes 1 and 2 below)       500,000       C         Notes:       1. For CCPCs that are not associated, enter the amount from line 4 on line 410. However, if the corporation's tax year is less than 51 weeks, prorate the amount from line 4 by the number of days in the tax year divided by 365, and enter the result on line 410.       2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.         Business limit reduction:       3. Schedule 23 to calculate the amount to be entered on line 410. |
| Amount C 500,000 × 415 **** D = E                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 11,250                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Reduced business limit (amount C minus amount E) (if negative, enter "0")                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Small business deduction                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Amount A, B, C, or F, whichever is the least 61,951 × 17 % =                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Enter amount G on line 1.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <ul> <li>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.</li> <li>** General rate reduction percentage for the tax year. It has to be pro-rated.</li> <li>*** Calculate the amount of foreign business income tax credit deductible on line 636 without reference to the corporate tax reductions under section 123.4.</li> </ul>                                |
| <ul> <li>**** Large corporations</li> <li>If the corporation is not associated with any corporations in both the current and previous tax years, the amount to be entered on line 415 is:</li> </ul>                                                                                                                                                                                                                                                                                                                                                                 |
| (Total taxable capital employed in Canada for the <b>prior year</b> minus \$10,000,000) x 0.225%.                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

If the corporation is not associated with any corporations in the current tax year, but was associated in the previous tax year, the amount to be entered on line 415 is: (Total taxable capital employed in Canada for the current year minus \$10,000,000) x 0.225%

• For corporations associated in the current tax year, see Schedule 23 for the special rules that apply.

| Canadian-controlled private                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                |                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 61,951            |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | ne Z1) from Part 9 of Schedule 27                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                |                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 01,951            |
| Amount QQ from Part 13 of S                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                |                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | credit union deduction from Schedule 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                |                               | _ U                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 10, or 425, whichever is the least                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                |                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | from line 440*                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                |                               | <br>F                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                |                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 61,951            |
| Amount A minus amount G (if                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                |                               | =                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                |                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                   |
| mount H                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | X Number of days in the tax year after<br>December 31, 2007, and before January 1, 2009                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                | x 8.5                         | % =                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Number of days in the tax year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 365                                            |                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                   |
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| mount H                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | X December 31, 2009, and before January 1, 2011<br>Number of days in the tax year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 365                                            | × 10                          | % =                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                   |
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| mount H                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | X Number of days in the tax year after<br>December 31, 2010, and before January 1, 2012                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                | × 11.5                        | % =                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                   |
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| nter amount M on line 638.<br>Except for a corporation that<br><b>General tax reductio</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | ned by subs                                    | section 136(2)                | ) or a c                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                   |
| nter amount M on line 638.<br>Except for a corporation that<br>General tax reductio<br>to not complete this area if                                                                                                                                                                                                                                                                                                                                                                                                                        | anadian-controlled private corporations – Total of amounts I to L.1<br>is, throughout the year, a cooperative corporation (within the meaning assign<br>n<br>f you are a Canadian-controlled private corporation, an investment cor<br>or any corporation with taxable income that is not subject to the corpo                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | ned by subs<br>rporation,<br>oration tax       | a mortgage in<br>rate of 38%. | ) or a c<br>nvestn                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | nent corporation, |
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| Anter amount M on line 638.<br>Except for a corporation that<br>General tax reduction<br>on ot complete this area if<br>mutual fund corporation, of<br>axable income from page 3 (I<br>esser of amounts V and Y (Iir<br>mount QQ from Part 13 of S-<br>mount used to calculate the of<br>otal of amounts O to Q<br>mount N minus amount R (if<br>mount S                                                                                                                                                                                   | anadian-controlled private corporations – Total of amounts I to L.1<br>is, throughout the year, a cooperative corporation (within the meaning assign<br>n<br>fyou are a Canadian-controlled private corporation, an investment corporation with taxable income that is not subject to the corpor<br>or any corporation with taxable income that is not subject to the corpor<br>line 360 or amount Z, whichever applies)<br>ne Z1) from Part 9 of Schedule 27<br>chedule 27<br>credit union deduction from Schedule 17<br>f negative, enter "0")<br>Number of days in the tax year after<br>Number of days in the tax year<br>Number of days in the tax year after<br>Number of days in the tax year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | rporation, , , , , , , , , , , , , , , , , , , | x 8.5                         | or a c<br>nvestn<br><br><br><br><br><br><br>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | nent corporation, |
| ter amount M on line 638.<br>Except for a corporation that<br>General tax reduction<br>of not complete this area if<br>mutual fund corporation, of<br>axable income from page 3 (lesser of amounts V and Y (lin<br>mount QQ from Part 13 of Si<br>mount used to calculate the of<br>otal of amounts O to Q<br>mount N minus amount R (if<br>mount S                                                                                                                                                                                        | anadian-controlled private corporations – Total of amounts I to L.1 is, throughout the year, a cooperative corporation (within the meaning assign  fyou are a Canadian-controlled private corporation, an investment corporation with taxable income that is not subject to the corpor or any corporation with taxable income that is not subject to the corporation and the corporation with taxable income that is not subject to the corporation and the corporation or any corporation with taxable income that is not subject to the corporation and the corporation with taxable income that is not subject to the corporation and the corporation with taxable income that is not subject to the corporation and the corporation of the tax year after of the corporation of the corporation of the tax year after of the corporation of the tax year of the tax year after of the corporation o | rporation, oration tax                         | x 9                           | or a c<br>nvestn<br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br> | nent corporation, |
| ter amount M on line 638.<br>Except for a corporation that<br>General tax reduction<br>on ot complete this area if<br>mutual fund corporation, of<br>axable income from page 3 (lesser of amounts V and Y (lin<br>mount QQ from Part 13 of S<br>mount used to calculate the of<br>otal of amounts O to Q<br>mount N minus amount R (if<br>mount S                                                                                                                                                                                          | anadian-controlled private corporations – Total of amounts I to L.1 is, throughout the year, a cooperative corporation (within the meaning assign  fyou are a Canadian-controlled private corporation, an investment corporation with taxable income that is not subject to the corpor or any corporation with taxable income that is not subject to the corporation and the corporation with taxable income that is not subject to the corporation and the corporation or any corporation with taxable income that is not subject to the corporation and the corporation with taxable income that is not subject to the corporation and the corporation with taxable income that is not subject to the corporation and the corporation of the tax year after                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | rporation, oration tax                         | x 8.5                         | or a c<br>nvestn<br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br> | nent corporation, |
| nter amount M on line 638.<br>Except for a corporation that<br>General tax reductio<br>o not complete this area if<br>mutual fund corporation, of<br>axable income from page 3 (lesser of amounts V and Y (lin<br>mount QQ from Part 13 of Sc<br>mount used to calculate the o<br>otal of amounts O to Q<br>mount N minus amount R (if<br>mount S                                                                                                                                                                                          | anadian-controlled private corporations – Total of amounts I to L.1<br>is, throughout the year, a cooperative corporation (within the meaning assign<br>n<br>fyou are a Canadian-controlled private corporation, an investment corporation with taxable income that is not subject to the corpor<br>or any corporation with taxable income that is not subject to the corpor<br>line 360 or amount Z, whichever applies)<br>ne Z1) from Part 9 of Schedule 27<br>chedule 27<br>credit union deduction from Schedule 17<br>f negative, enter "0")<br>X<br>Number of days in the tax year after<br>X<br>December 31, 2007, and before January 1, 2009<br>Number of days in the tax year<br>Number of days in the tax year after                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | ned by subs<br>rporation, j<br>oration tax<br> | x 9<br>× 10                   | ) or a c<br>nvestn<br><br><br><br><br><br><br>% =<br>% =<br>% =                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | nent corporation, |
| nter amount M on line 638.<br>Except for a corporation that<br>General tax reductio<br>o not complete this area if<br>mutual fund corporation, of<br>axable income from page 3 (lesser of amounts V and Y (lin<br>mount QQ from Part 13 of Sc<br>mount used to calculate the o<br>otal of amounts O to Q<br>mount N minus amount R (if<br>mount S                                                                                                                                                                                          | anadian-controlled private corporations – Total of amounts I to L.1<br>is, throughout the year, a cooperative corporation (within the meaning assign<br>f you are a Canadian-controlled private corporation, an investment corporation with taxable income that is not subject to the corpor<br>or any corporation with taxable income that is not subject to the corpor<br>line 360 or amount Z, whichever applies)<br>ne Z1) from Part 9 of Schedule 27<br>chedule 27<br>credit union deduction from Schedule 17<br>f negative, enter "0")<br>X<br>Number of days in the tax year after<br>X<br>December 31, 2007, and before January 1, 2009<br>Number of days in the tax year<br>Number of days in the tax year after<br>X<br>December 31, 2009, and before January 1, 2011<br>Number of days in the tax year after<br>X<br>December 31, 2010, and before January 2012                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | ned by subs<br>rporation, oration tax          | x 9                           | ) or a c<br>nvestn<br><br><br><br><br><br><br>% =<br>% =<br>% =                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | nent corporation, |
| nter amount M on line 638.<br>Except for a corporation that<br>General tax reductio<br>o not complete this area if<br>mutual fund corporation, of<br>axable income from page 3 (le<br>esser of amounts V and Y (lin<br>mount QQ from Part 13 of S<br>mount S | anadian-controlled private corporations – Total of amounts I to L.1<br>is, throughout the year, a cooperative corporation (within the meaning assign<br>" you are a Canadian-controlled private corporation, an investment cor-<br>or any corporation with taxable income that is not subject to the corpor-<br>line 360 or amount Z, whichever applies)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | ned by subs<br>rporation, j<br>oration tax<br> | x 9<br>x 10<br>x 11.5         | 0 or a c<br>1 vestra<br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br> | nent corporation, |
| nter amount M on line 638.<br>Except for a corporation that<br>General tax reductio<br>to not complete this area if<br>mutual fund corporation, of<br>axable income from page 3 (I<br>esser of amounts V and Y (Iir<br>mount QQ from Part 13 of So<br>mount used to calculate the of<br>otal of amounts O to Q<br>mount N minus amount R (if                                                                                                                                                                                               | anadian-controlled private corporations – Total of amounts I to L.1<br>is, throughout the year, a cooperative corporation (within the meaning assign<br>f you are a Canadian-controlled private corporation, an investment corporation with taxable income that is not subject to the corpor<br>or any corporation with taxable income that is not subject to the corpor<br>line 360 or amount Z, whichever applies)<br>ne Z1) from Part 9 of Schedule 27<br>chedule 27<br>credit union deduction from Schedule 17<br>f negative, enter "0")<br>X<br>Number of days in the tax year after<br>X<br>December 31, 2007, and before January 1, 2009<br>Number of days in the tax year<br>Number of days in the tax year after<br>X<br>December 31, 2009, and before January 1, 2011<br>Number of days in the tax year after<br>X<br>December 31, 2010, and before January 2012                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | ned by subs<br>rporation, oration tax          | x 9<br>× 10                   | 0 or a c<br>1 vestra<br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br> | nent corporation, |

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| Refundable portion of Part I tax                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                       |                   |          |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|-------------------|----------|
| Canadian-controlled private corporations throughout the tax year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                       |                   |          |
| Aggregate investment income 440<br>from Schedule 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | _ x 26 2 / 3 % =                      | ······            | A        |
| Foreign non-business income tax credit from line 632                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | · · · · · · · · · · · · · · · · · · · |                   |          |
| Deduct:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                       |                   |          |
| Foreign investment income 445                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | _ × 9 1 / 3 % = _                     | ►                 |          |
| from Schedule 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | (if negative, enter "0") <sub>=</sub> | ►                 | В        |
| Amount A minus amount B (if negative, enter "0")                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                       | ····· <u> </u>    | C        |
| Taxable income from line 360                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                       | 61,951            |          |
| Deduct:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | _                                     |                   |          |
| Amount from line 400, 405, 410, or 425, whichever is the least                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 61,951                                |                   |          |
| Foreign non-business<br>income tax credit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                       |                   |          |
| from line 632 x 25 / 9 =                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                       |                   |          |
| Foreign business<br>income tax credit 1(0.38 - X*)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                       |                   |          |
| from line 636 x 3 =                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                       |                   |          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 61,951 ►                              | 61,951            |          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | =                                     | x 26 2 / 3 % =    | 5        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                       |                   | D        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                       |                   |          |
| Part I tax payable minus investment tax credit refund (line 700 minus line 780                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | ))                                    | ·····             | <u> </u> |
| Part I tax payable minus investment tax credit refund (line 700 minus line 780<br>Refundable portion of Part I tax – Amount C, D, or E, whichever is the leas                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                       |                   | <u> </u> |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                       |                   |          |
| <b>Refundable portion of Part I tax</b> – Amount C, D, or E, whichever is the leas<br>* General rate reduction percentage for the tax year. It has to be pro-rated.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                       |                   |          |
| Refundable portion of Part I tax – Amount C, D, or E, whichever is the leas<br>* General rate reduction percentage for the tax year. It has to be pro-rated.<br>Refundable dividend tax on hand                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                       | 450               |          |
| <b>Refundable portion of Part I tax</b> – Amount C, D, or E, whichever is the leas<br>* General rate reduction percentage for the tax year. It has to be pro-rated.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                       | 450               |          |
| Refundable portion of Part I tax – Amount C, D, or E, whichever is the least         * General rate reduction percentage for the tax year. It has to be pro-rated.         Refundable dividend tax on hand         Refundable dividend tax on hand at the end of the previous tax year         Deduct: Dividend refund for the previous tax year                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                       | 450               |          |
| Refundable portion of Part I tax – Amount C, D, or E, whichever is the least         * General rate reduction percentage for the tax year. It has to be pro-rated.         Refundable dividend tax on hand         Refundable dividend tax on hand at the end of the previous tax year         Deduct: Dividend refund for the previous tax year         Add the total of:                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 460<br>                               | 450               | F        |
| Refundable portion of Part I tax – Amount C, D, or E, whichever is the least         * General rate reduction percentage for the tax year. It has to be pro-rated.         Refundable dividend tax on hand         Refundable dividend tax on hand at the end of the previous tax year         Deduct: Dividend refund for the previous tax year         Add the total of:         Refundable portion of Part I tax from line 450 above                                                                                                                                                                                                                                                                                                                                                                                       | 460<br>                               | 450               | F        |
| Refundable portion of Part I tax – Amount C, D, or E, whichever is the least         * General rate reduction percentage for the tax year. It has to be pro-rated.         Refundable dividend tax on hand         Refundable dividend tax on hand at the end of the previous tax year         Deduct: Dividend refund for the previous tax year         Add the total of:         Refundable portion of Part I tax from line 450 above         Total Part IV tax payable from Schedule 3         Net refundable dividend tax on hand transferred from a predecessor corporation                                                                                                                                                                                                                                              | 460<br>465<br>=<br>                   | 450               | F        |
| Refundable portion of Part I tax – Amount C, D, or E, whichever is the leas         * General rate reduction percentage for the tax year. It has to be pro-rated.         Refundable dividend tax on hand         Refundable dividend tax on hand at the end of the previous tax year         Deduct: Dividend refund for the previous tax year         Add the total of:         Refundable portion of Part I tax from line 450 above         Total Part IV tax payable from Schedule 3                                                                                                                                                                                                                                                                                                                                      | 460<br>465<br>=<br>                   | 450               | F        |
| Refundable portion of Part I tax – Amount C, D, or E, whichever is the least         * General rate reduction percentage for the tax year. It has to be pro-rated.         Refundable dividend tax on hand         Refundable dividend tax on hand at the end of the previous tax year         Deduct: Dividend refund for the previous tax year         Add the total of:         Refundable portion of Part I tax from line 450 above         Total Part IV tax payable from Schedule 3         Net refundable dividend tax on hand transferred from a predecessor corporation                                                                                                                                                                                                                                              | t                                     | 450               | F        |
| Refundable portion of Part I tax – Amount C, D, or E, whichever is the least         * General rate reduction percentage for the tax year. It has to be pro-rated.         Refundable dividend tax on hand         Refundable dividend tax on hand at the end of the previous tax year         Deduct: Dividend refund for the previous tax year         Add the total of:         Refundable portion of Part I tax from line 450 above         Total Part IV tax payable from Schedule 3         Net refundable dividend tax on hand transferred from a predecessor corporation         Refundable dividend tax on hand at the end of the tax year – Amount G                                                                                                                                                                | t                                     | 450               | F        |
| Refundable portion of Part I tax – Amount C, D, or E, whichever is the leas         * General rate reduction percentage for the tax year. It has to be pro-rated.         Refundable dividend tax on hand         Refundable dividend tax on hand at the end of the previous tax year         Deduct: Dividend refund for the previous tax year         Add the total of:         Refundable portion of Part I tax from line 450 above         Total Part IV tax payable from Schedule 3         Net refundable dividend tax on hand transferred from a predecessor corporation         Refundable dividend tax on hand at the end of the tax year – Amount G         Dividend refund                                                                                                                                         | t                                     | 450               | F        |
| Refundable portion of Part I tax – Amount C, D, or E, whichever is the leas         * General rate reduction percentage for the tax year. It has to be pro-rated.         Refundable dividend tax on hand         Refundable dividend tax on hand at the end of the previous tax year         Deduct: Dividend refund for the previous tax year         Add the total of:         Refundable portion of Part I tax from line 450 above         Total Part IV tax payable from Schedule 3         Net refundable dividend tax on hand at the end of the tax year – Amount G         Dividend refund         Private and subject corporations at the time taxable dividends were participation                                                                                                                                  | t                                     | 450               | F        |
| Refundable portion of Part I tax – Amount C, D, or E, whichever is the leas         * General rate reduction percentage for the tax year. It has to be pro-rated.         Refundable dividend tax on hand         Refundable dividend tax on hand at the end of the previous tax year         Deduct: Dividend refund for the previous tax year         Add the total of:         Refundable portion of Part I tax from line 450 above         Total Part IV tax payable from Schedule 3         Net refundable dividend tax on hand transferred from a predecessor corpora amalgamation, or from a wound-up subsidiary corporation         Refundable dividend tax on hand at the end of the tax year – Amount G         Dividend refund         Private and subject corporations at the time taxable dividends were partial | t                                     | 450<br>►<br>►<br> | F        |

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| ┌ Part I tax ─────                                                                                                                                     |                                    |          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|----------|
| Base amount of Part I tax – Taxable income (line 360 or amount Z, whichever applies) multiplied by 38 %                                                | % <b>550</b>                       | 23,541 A |
| Recapture of investment tax credit from Schedule 31                                                                                                    |                                    | X        |
|                                                                                                                                                        |                                    | D        |
| Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment in<br>(if it was a CCPC throughout the tax year) | come                               |          |
| Aggregate investment income from line 440                                                                                                              | i                                  |          |
| Taxable income from line 360         61,951                                                                                                            |                                    |          |
| Deduct:                                                                                                                                                |                                    |          |
| Amount from line 400, 405, 410, or 425, whichever is the least <u>61,951</u>                                                                           |                                    |          |
| Net amount                                                                                                                                             | ii                                 |          |
| Refundable tax on CCPC's investment income – 6 2 / 3 % of whichever is less: amount i or ii                                                            | 604                                | C        |
| 90                                                                                                                                                     | ibtotal ( <b>add</b> lines A to C) | 23,541 D |
|                                                                                                                                                        |                                    |          |
| Deduct:                                                                                                                                                |                                    |          |
| Small business deduction from line 430                                                                                                                 | 10,532 1                           |          |
| Federal tax abatement         608                                                                                                                      | 6,195                              |          |
| Manufacturing and processing profits deduction from Schedule 27                                                                                        |                                    |          |
| Investment corporation deduction 620                                                                                                                   |                                    |          |
| Taxed capital gains 624                                                                                                                                |                                    |          |
| Additional deduction – credit unions from Schedule 17                                                                                                  |                                    |          |
| Federal foreign non-business income tax credit from Schedule 21       632                                                                              |                                    |          |
| Federal foreign business income tax credit from Schedule 21       636                                                                                  |                                    |          |
| General tax reduction for CCPCs from amount M                                                                                                          |                                    |          |
| General tax reduction from amount X                                                                                                                    |                                    |          |
| Federal logging tax credit from Schedule 21         640                                                                                                |                                    |          |
| Federal qualifying environmental trust tax credit    648                                                                                               |                                    |          |
| Investment tax credit from Schedule 31                                                                                                                 |                                    |          |
| Subtotal                                                                                                                                               | 16,727 ►                           | 16,727 E |
| Part I tax payable – Line D minus line E                                                                                                               |                                    | 6,814 F  |
| Enter amount F on line 700.                                                                                                                            | —                                  |          |

| Federal tax                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                    |                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| <b>B</b> (1)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                    |                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                 |
| Part I tax payable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                    |                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 6,814                           |
| Part II surtax payable from Schedule 46                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                    |                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                 |
| Part III.1 tax payable from Schedule 55                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                    |                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                 |
| Part IV tax payable from Schedule 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                    |                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                 |
| Part IV.1 tax payable from Schedule 43                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                    |                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                 |
| Part VI tax payable from Schedule 38                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                    |                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                 |
| Part VI.1 tax payable from Schedule 43                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                    |                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                 |
| Part XIII.1 tax payable from Schedule 92                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                    |                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                 |
| Part XIV tax payable from Schedule 20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                    |                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <u> </u>                        |
| Add provincial or territorial tax:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                    |                                                                          | Total federal tax                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 6,814                           |
| · · · · · · · · · · · · · · · · · · ·                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 750 ON                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                    |                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                 |
| (if more than one jurisdiction, enter "multi                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | iple" and complete S                                                                                                                                                                                                                     | Schedule 5)                                                                                                                                                                                                                                        |                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                 |
| Net provincial or territorial tax payable (ex                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | cept Quebec and A                                                                                                                                                                                                                        | lberta)                                                                                                                                                                                                                                            |                                                                          | 3,407                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                 |
| Provincial tax on large corporations (New                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <pre>/ Brunswick* and No</pre>                                                                                                                                                                                                           | va Scotia)                                                                                                                                                                                                                                         |                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                    |                                                                          | 3,407                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 3,407                           |
| Deduct other credits:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                    |                                                                          | Total tax payable 770                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 10,221 A                        |
| Investment tax credit refund from Schedu                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | ule 31                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                    |                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                 |
| Dividend refund                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                    |                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                 |
| Federal capital gains refund from Schedu                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | ule 18                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                    |                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                 |
| Federal qualifying environmental trust tax                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | credit refund .                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                    |                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                 |
| Canadian film or video production tax cre                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | dit refund (Form T1                                                                                                                                                                                                                      | 131)                                                                                                                                                                                                                                               |                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                 |
| Film or video production services tax crea                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | dit refund (Form T11                                                                                                                                                                                                                     | 177)                                                                                                                                                                                                                                               |                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                 |
| Tax withheld at source                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                          | <u></u>                                                                                                                                                                                                                                            | 800                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                 |
| Total payments on which tax has been                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | withheld                                                                                                                                                                                                                                 | 801                                                                                                                                                                                                                                                |                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                 |
| Provincial and territorial capital gains refu                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | und from Schedule 1                                                                                                                                                                                                                      | 8                                                                                                                                                                                                                                                  |                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                 |
| Provincial and territorial refundable tax cr                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | edits from Schedule                                                                                                                                                                                                                      | 95                                                                                                                                                                                                                                                 |                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                 |
| Tax instalments paid                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                    | 840                                                                      | 24,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                    | Total credits 890                                                        | 24,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 24,000 в                        |
| Refund code 894 1 Over                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                          | /a ==a _4                                                                                                                                                                                                                                          |                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 21,000 B                        |
| Keruna coae Over I Over                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | rpayment                                                                                                                                                                                                                                 | 13,779                                                                                                                                                                                                                                             |                                                                          | Balance (line A <b>minus</b> line B)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | -13,779                         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                          | 13,779                                                                                                                                                                                                                                             | If the re                                                                | Balance (line A <b>minus</b> line B)<br>esult is negative, you have an <b>overpaym</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | -13,779                         |
| Direct deposit request                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                          | <u>.</u>                                                                                                                                                                                                                                           | If the re                                                                | sult is negative, you have an <b>overpaym</b><br>sult is positive, you have a <b>balance un</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | -13,779<br>ent.                 |
| Direct deposit request                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | ed directly into the co                                                                                                                                                                                                                  | orporation's bank                                                                                                                                                                                                                                  | If the re                                                                | sult is negative, you have an overpaym                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | -13,779<br>ent.                 |
| Direct deposit request           To have the corporation's refund deposite           account at a financial institution in Canad                                                                                                                                                                                                                                                                                                                                                                                                                                            | ed directly into the co                                                                                                                                                                                                                  | orporation's bank                                                                                                                                                                                                                                  | If the re<br>Enter th                                                    | sult is negative, you have an <b>overpaym</b><br>sult is positive, you have a <b>balance un</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | -13,779<br>ent.<br>vaid.        |
| Direct deposit request<br>To have the corporation's refund deposite<br>account at a financial institution in Canad<br>already gave us, complete the information                                                                                                                                                                                                                                                                                                                                                                                                             | ed directly into the co<br>da, or to change banl<br>n below:                                                                                                                                                                             | orporation's bank<br>king information you                                                                                                                                                                                                          | If the re<br>Enter th                                                    | esult is negative, you have an <b>overpaym</b><br>sult is positive, you have a <b>balance unp</b><br>ne amount on whichever line applies.<br>Ily, we do not charge or refund a differer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | -13,779<br>ent.<br>vaid.        |
| Direct deposit request<br>To have the corporation's refund deposite<br>account at a financial institution in Canad                                                                                                                                                                                                                                                                                                                                                                                                                                                          | ed directly into the co<br>da, or to change banl<br>n below:                                                                                                                                                                             | orporation's bank                                                                                                                                                                                                                                  | If the re<br>Enter th<br>Genera<br>of \$2 or                             | esult is negative, you have an <b>overpaym</b><br>esult is positive, you have a <b>balance unp</b><br>ne amount on whichever line applies.<br>Ily, we do not charge or refund a different<br>less.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | -13,779<br>ent.<br>vaid.        |
| Direct deposit request<br>To have the corporation's refund deposite<br>account at a financial institution in Canad<br>already gave us, complete the information                                                                                                                                                                                                                                                                                                                                                                                                             | ed directly into the co<br>da, or to change banl<br>n below:                                                                                                                                                                             | orporation's bank<br>king information you                                                                                                                                                                                                          | If the re<br>Enter th<br>Genera<br>of \$2 or                             | esult is negative, you have an <b>overpaym</b><br>sult is positive, you have a <b>balance unp</b><br>ne amount on whichever line applies.<br>Ily, we do not charge or refund a differer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | -13,779<br>ent.<br>vaid.        |
| Direct deposit request           To have the corporation's refund deposite account at a financial institution in Canad already gave us, complete the information           Start         Change information                                                                                                                                                                                                                                                                                                                                                                 | ed directly into the co<br>da, or to change banl<br>n below:<br>on 97<br>918                                                                                                                                                             | orporation's bank<br>king information you                                                                                                                                                                                                          | If the re<br>Enter th<br>Genera<br>of \$2 of<br>Balance                  | esult is negative, you have an <b>overpaym</b><br>esult is positive, you have a <b>balance unp</b><br>ne amount on whichever line applies.<br>Ily, we do not charge or refund a different<br>less.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | -13,779<br>ent.<br>vaid.        |
| Direct deposit request     To have the corporation's refund deposite     account at a financial institution in Canad     already gave us, complete the information     Start     Change informatio  914 Institution number If the corporation is a Canadian-controlled                                                                                                                                                                                                                                                                                                      | ed directly into the co<br>da, or to change banl<br>n below:<br>on <u>918</u><br>d private corporation                                                                                                                                   | orporation's bank<br>king information you<br>10<br>Branch number<br>Account number<br>throughout the tax year                                                                                                                                      | If the re<br>Enter th<br>Genera<br>of \$2 or<br>Balance<br>Enclose       | esult is negative, you have an overpaym<br>esult is positive, you have a balance unp<br>ne amount on whichever line applies.<br>Ily, we do not charge or refund a differen-<br>less.<br>e unpaid                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | -13,779<br>ent.<br>paid.<br>nce |
| Direct deposit request     To have the corporation's refund deposite     account at a financial institution in Canad     already gave us, complete the informatior     Start     Change informatio  914 Institution number If the corporation is a Canadian-controllee     does it qualify for the one-month extension                                                                                                                                                                                                                                                      | ed directly into the co<br>da, or to change bank<br>n below:<br>on 91<br>918<br>d private corporation<br>on of the date the bak                                                                                                          | orporation's bank<br>king information you<br>10<br>Branch number<br>Account number<br>I throughout the tax year<br>lance of tax is due?                                                                                                            | If the re<br>Enter the<br>Generat<br>of \$2 or<br>Balance<br>Enclose     | esult is negative, you have an overpaym<br>esult is positive, you have a balance unp<br>ne amount on whichever line applies.<br>Ily, we do not charge or refund a differen-<br>less.<br>e unpaid                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | -13,779<br>ent.<br>vaid.        |
| Direct deposit request     To have the corporation's refund deposite     account at a financial institution in Canad     already gave us, complete the information     Start     Change informatio  914 Institution number If the corporation is a Canadian-controlled                                                                                                                                                                                                                                                                                                      | ed directly into the co<br>da, or to change bank<br>n below:<br>on 91<br>918<br>d private corporation<br>on of the date the bak                                                                                                          | orporation's bank<br>king information you<br>10<br>Branch number<br>Account number<br>I throughout the tax year<br>lance of tax is due?                                                                                                            | If the re<br>Enter the<br>Generat<br>of \$2 or<br>Balance<br>Enclose     | esult is negative, you have an overpaym<br>esult is positive, you have a balance unp<br>ne amount on whichever line applies.<br>Ily, we do not charge or refund a differen-<br>less.<br>e unpaid                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | -13,779<br>ent.<br>paid.<br>nce |
| Direct deposit request     To have the corporation's refund deposite     account at a financial institution in Canad     already gave us, complete the informatior     Start     Change informatio  914 Institution number If the corporation is a Canadian-controlled     does it qualify for the one-month extensio * The New Brunswick tax on large corporation                                                                                                                                                                                                          | ed directly into the co<br>da, or to change bank<br>n below:<br>on 91<br>918<br>d private corporation<br>on of the date the bak                                                                                                          | orporation's bank<br>king information you<br>10<br>Branch number<br>Account number<br>I throughout the tax year<br>lance of tax is due?                                                                                                            | If the re<br>Enter the<br>Generat<br>of \$2 or<br>Balance<br>Enclose     | esult is negative, you have an overpaym<br>esult is positive, you have a balance unp<br>ne amount on whichever line applies.<br>Ily, we do not charge or refund a differen-<br>less.<br>e unpaid                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | -13,779<br>ent.<br>paid.<br>nce |
| Direct deposit request     To have the corporation's refund deposite     account at a financial institution in Canad     already gave us, complete the informatior     Start     Change informatio  914 Institution number If the corporation is a Canadian-controllee     does it qualify for the one-month extension                                                                                                                                                                                                                                                      | ed directly into the co<br>da, or to change bank<br>n below:<br>on 91<br>918<br>d private corporation<br>on of the date the bak                                                                                                          | orporation's bank<br>king information you<br>10<br>Branch number<br>Account number<br>I throughout the tax year<br>lance of tax is due?                                                                                                            | If the re<br>Enter the<br>Generat<br>of \$2 or<br>Balance<br>Enclose     | esult is negative, you have an overpaym<br>esult is positive, you have a balance unp<br>ne amount on whichever line applies.<br>Ily, we do not charge or refund a differen-<br>less.<br>e unpaid                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | -13,779<br>ent.<br>paid.<br>nce |
| Direct deposit request     To have the corporation's refund deposite     account at a financial institution in Canad     already gave us, complete the informatior     Start     Change informatio  914 Institution number If the corporation is a Canadian-controlled     does it qualify for the one-month extensio * The New Brunswick tax on large corporation                                                                                                                                                                                                          | ed directly into the co<br>da, or to change bank<br>n below:<br>on 91<br>918<br>d private corporation<br>on of the date the bak                                                                                                          | brporation's bank<br>king information you<br>10<br>Branch number<br>Account number<br>Inthroughout the tax year<br>lance of tax is due?<br>Iffective January 1, 2009                                                                               | If the re<br>Enter the<br>Generat<br>of \$2 or<br>Balance<br>Enclose     | esult is negative, you have an overpaym<br>esult is positive, you have a balance unp<br>ne amount on whichever line applies.<br>Ily, we do not charge or refund a differen-<br>less.<br>e unpaid                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | -13,779<br>ent.<br>paid.<br>nce |
| Direct deposit request     To have the corporation's refund deposite     account at a financial institution in Canad     already gave us, complete the informatior     Start     Institution number     If the corporation is a Canadian-controlled     does it qualify for the one-month extensio     * The New Brunswick tax on large corporat      Certification     I, 950 BEAULNE     Last name in block left                                                                                                                                                          | ed directly into the co<br>da, or to change bank<br>n below:<br>on 91<br>918<br>d private corporation<br>on of the date the bak<br>titons is eliminated ef<br>951<br>tters                                                               | orporation's bank<br>king information you<br>10<br>Branch number<br>Account number<br>Inthroughout the tax year<br>lance of tax is due?<br>Iffective January 1, 2009<br>RENÉ<br>First name i                                                       | If the re<br>Enter th<br>Genera<br>of \$2 or<br>Balance<br>Enclose       | esult is negative, you have an overpaym<br>esult is positive, you have a balance unp<br>e amount on whichever line applies.<br>Ily, we do not charge or refund a different<br>eless.<br>e unpaid                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | -13,779 ent. baid. nce No       |
| Direct deposit request     To have the corporation's refund deposite     account at a financial institution in Canad     already gave us, complete the informatior     Start     Institution number     If the corporation is a Canadian-controlled     does it qualify for the one-month extensio     * The New Brunswick tax on large corporat     Certification     I, 950 BEAULNE     Last name in block lett am an authorized signing officer of the core                                                                                                              | ed directly into the co<br>da, or to change banl<br>n below:<br>on 91<br>918<br>d private corporation<br>on of the date the bal<br>titons is eliminated ef<br>951<br>tters<br>rporation. I certify the                                   | orporation's bank<br>king information you<br>10<br>Branch number<br>Account number<br>Introughout the tax year<br>lance of tax is due?<br>ffective January 1, 2009<br>RENÉ<br>First name i<br>at I have examined this                              | n block letters<br>return, including accol                               | esult is negative, you have an <b>overpaym</b><br>esult is positive, you have a <b>balance unp</b><br>esult is position, office, of<br>mpanying schedules and statements, an | -13,779 ent. baid. nce No       |
| Direct deposit request     To have the corporation's refund deposite     account at a financial institution in Canad     already gave us, complete the information     Start     Institution number     If the corporation is a Canadian-controlled     does it qualify for the one-month extensio * The New Brunswick tax on large corporat  Certification I, 950 BEAULNE     Last name in block lett am an authorized signing officer of the con the information given on this return is, to the                                                                          | ed directly into the co<br>da, or to change banl<br>n below:<br>on <u>918</u><br>d private corporation<br>on of the date the bal<br>titons is eliminated ef<br><u>951</u><br>tters<br>orporation. I certify the<br>the best of my knowle | briporation's bank<br>king information you<br>10<br>Branch number<br>Account number<br>Inthroughout the tax year<br>lance of tax is due?<br>Iffective January 1, 2009<br>RENÉ<br>First name i<br>at I have examined this<br>edge, correct and comp | n block letters<br>return, including accol<br>lete. I further certify th | esult is negative, you have an <b>overpaym</b><br>esult is positive, you have a <b>balance unp</b><br>ne amount on whichever line applies.<br>Ily, we do not charge or refund a different<br>less.<br>e unpaid<br>ed payment <b>898</b><br>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | -13,779 ent. baid. nce No       |
| Direct deposit request     To have the corporation's refund deposite     account at a financial institution in Canad     already gave us, complete the informatior     Start Change informatio     914     Institution number     If the corporation is a Canadian-controlled     does it qualify for the one-month extensio * The New Brunswick tax on large corporat  Certification I, 950 BEAULNE     Last name in block lett am an authorized signing officer of the cor the information given on this return is, to t tax year is consistent with that of the previous | ed directly into the co<br>da, or to change banl<br>n below:<br>on <u>918</u><br>d private corporation<br>on of the date the bal<br>titons is eliminated ef<br><u>951</u><br>tters<br>orporation. I certify the<br>the best of my knowle | briporation's bank<br>king information you<br>10<br>Branch number<br>Account number<br>Inthroughout the tax year<br>lance of tax is due?<br>Iffective January 1, 2009<br>RENÉ<br>First name i<br>at I have examined this<br>edge, correct and comp | n block letters<br>return, including accol<br>lete. I further certify th | esult is negative, you have an overpayment<br>esult is positive, you have a balance unpre-<br>esult is positive, you have a balance unpre-<br>esult is positive, you have a balance unpre-<br>esult is positive, you have a balance unpre-<br>less.<br>e unpaid                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | -13,779 ent. baid. nce No       |
| Direct deposit request     To have the corporation's refund deposite     account at a financial institution in Canad     already gave us, complete the informatio     Start     Institution number     If the corporation is a Canadian-controlled     does it qualify for the one-month extensio * The New Brunswick tax on large corporat  Certification I, 950 BEAULNE     Last name in block lett am an authorized signing officer of the con the information given on this return is, to the                                                                           | ed directly into the co<br>da, or to change bank<br>n below:<br>on 918<br>918<br>d private corporation<br>on of the date the bak<br>titons is eliminated ef<br>951<br>ters<br>reporation. I certify the<br>the best of my knowle         | briporation's bank<br>king information you<br>10<br>Branch number<br>Account number<br>Inthroughout the tax year<br>lance of tax is due?<br>Iffective January 1, 2009<br>RENÉ<br>First name i<br>at I have examined this<br>edge, correct and comp | n block letters<br>return, including accou                               | esult is negative, you have an overpayme<br>esult is positive, you have a balance unplessed<br>and the amount on whichever line applies.<br>Ily, we do not charge or refund a different<br>eless.<br>e unpaid                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | -13,779 ent. haid. nce No       |

Name in block letters

Indicate your language of correspondence by entering **1** for English or **2** for French. Indiquez votre langue de correspondance en inscrivant **1** pour anglais ou **2** pour français.

958

959

990

Telephone number

2

# **Schedule of Instalment Remittances**

\_\_\_\_\_

\_\_\_\_\_

Name of corporation contact

Telephone number

| Effective<br>interest date | Description (instalment remittance,<br>split payment, assessed credit)              | Amount of<br>credit |
|----------------------------|-------------------------------------------------------------------------------------|---------------------|
|                            |                                                                                     | 24,000              |
|                            |                                                                                     |                     |
|                            |                                                                                     |                     |
|                            |                                                                                     |                     |
|                            |                                                                                     |                     |
|                            |                                                                                     |                     |
|                            |                                                                                     |                     |
|                            |                                                                                     |                     |
|                            |                                                                                     |                     |
|                            |                                                                                     |                     |
|                            |                                                                                     |                     |
|                            | Total amount of instalments claimed (carry the result to line 840 of the T2 Return) | 24,000              |
|                            | Total instalments credited to the taxation year per T9                              | 24,000              |

| Transfer       |                      |        |                            |             |
|----------------|----------------------|--------|----------------------------|-------------|
| Account number | Taxation<br>year end | Amount | Effective<br>interest date | Description |
| From:          | -                    |        |                            |             |
| То:            |                      |        |                            |             |
| From:          |                      |        |                            |             |
| То:            |                      |        |                            |             |
| From:          |                      |        |                            |             |
| То:            |                      |        |                            |             |
| From:          |                      |        |                            |             |
| То:            |                      |        |                            |             |
| From:          |                      |        |                            |             |
| То:            |                      |        |                            |             |
|                |                      | ·      |                            |             |

| *                                                                 | Canada Revenue<br>Agency | Agence du revenu<br>du Canada |                |     | SCHEDULE 100                   |
|-------------------------------------------------------------------|--------------------------|-------------------------------|----------------|-----|--------------------------------|
| Form identifier 100 GENERAL INDEX OF FINANCIAL INFORMATION – GIFI |                          |                               |                |     |                                |
| Name o                                                            | f corporation            |                               | Business Numbe | -   | Tax year end<br>Year Month Day |
| HYDR                                                              | O 2000 INC.              |                               | 86595 5397 RC0 | 001 | 2009-12-31                     |
|                                                                   |                          |                               |                |     |                                |

# **Balance sheet information**

| Account      | Description                                                     | GIFI     | Current year | Prior year |
|--------------|-----------------------------------------------------------------|----------|--------------|------------|
| Assets –     |                                                                 |          |              |            |
|              | Total current assets                                            | 1599 +   | 595,567      | 1,273,540  |
|              | Total tangible capital assets     Total tangible capital assets | 2008 +   | 813,111      | 733,583    |
|              | Total accumulated amortization of tangible capital assets       | 2009 –   | 374,065      | 321,680    |
|              | Total intangible capital assets                                 | 2178 +   | 4,639        | 4,639      |
|              | Total accumulated amortization of intangible capital assets     | 2179 –   | 4,639        | 3,761      |
|              | Total long-term assets                                          | 2589 +   | 411,568      | 289,997    |
|              | _* Assets held in trust                                         | 2590 +   |              |            |
|              | _ Total assets (mandatory field)                                | 2599 = _ | 1,446,181    | 1,976,318  |
| Liabilitie   | S                                                               |          |              |            |
|              | _ Total current liabilities                                     | 3139 + _ | 329,965      | 852,06     |
|              | _ Total long-term liabilities                                   | 3450 + _ | 383,636      | 396,468    |
|              | _* Subordinated debt                                            | 3460 +   |              |            |
|              | _* Amounts held in trust                                        | 3470 +   |              |            |
|              | _ Total liabilities (mandatory field)                           | 3499 =   | 713,601      | 1,248,52   |
| Sharehol     | lder equity                                                     |          |              |            |
|              | Total shareholder equity (mandatory field)                      | 3620 +   | 732,580      | 727,78     |
|              | _ Total liabilities and shareholder equity                      | 3640 =   | 1,446,181    | 1,976,31   |
| Retained     | earnings                                                        |          |              |            |
|              | Retained earnings/deficit – end (mandatory field)               | 3849 =   | 423,845      | 419,054    |
| Generic item |                                                                 |          |              |            |

\* Generic item

| Cana<br>Ager   | ada Revenue Agence du revenu<br>ncv du Canada                                                               |                  |                | SCHEDULE 125                   |
|----------------|-------------------------------------------------------------------------------------------------------------|------------------|----------------|--------------------------------|
| Form identifie |                                                                                                             |                  | GIFI           |                                |
| Name of corp   | -                                                                                                           | Bu               | siness Number  | Tax year end<br>Year Month Day |
| HYDRO 20       | 00 INC.                                                                                                     | 8659             | 95 5397 RC0001 | 2009-12-31                     |
|                | atement information                                                                                         |                  |                |                                |
| Description    | GIFI                                                                                                        |                  |                |                                |
| Operating par  | me 0001                                                                                                     |                  |                |                                |
|                | f the operation 0002                                                                                        |                  |                |                                |
|                | Imber         0003         01                                                                               |                  |                |                                |
| Account        | Description                                                                                                 | GIFI             | Current year   | Prior year                     |
| – Income s     | statement information                                                                                       |                  |                |                                |
|                | Total sales of goods and services                                                                           | 8089 +           | 2,418,649      | 2,270,988                      |
|                | Cost of sales                                                                                               | 8518 -           | 2,089,909      | 1,996,170                      |
|                | Gross profit/loss                                                                                           | 8519 =           | 328,740        | 274,818                        |
|                | Cost of sales                                                                                               | 8518 +           | 2,089,909      | 1,996,170                      |
|                | Total operating expenses                                                                                    | 9367 +           | 347,773        | 310,406                        |
|                | <b>Total expenses</b> (mandatory field)                                                                     | 9368 =           | 2,437,682      | 2,306,576                      |
|                | Total revenue (mandatory field)                                                                             | 8299 +           | 2,455,072      | 2,304,332                      |
|                | _ Total expenses (mandatory field)                                                                          | 9368 -           | 2,437,682      | 2,306,576                      |
|                | Net non-farming income                                                                                      | 9369 =           | 17,390         | -2,244                         |
| Farming        | income statement information                                                                                |                  |                |                                |
|                | _ Total farm revenue (mandatory field)                                                                      | 9659 +           |                |                                |
|                | _ Total farm expenses (mandatory field)                                                                     | 9898 –           |                |                                |
|                | _ Net farm income                                                                                           | 9899 =           |                |                                |
|                | _ Net income/loss before taxes and extraordinary items                                                      | 9970 =           | 17,390         | -2,244                         |
|                | Total other comprehensive income                                                                            | 9998 =           |                |                                |
|                |                                                                                                             |                  |                |                                |
| Extraord       | inary items and income (linked to Schedule 140)                                                             |                  |                |                                |
|                | _ Extraordinary item(s)                                                                                     | 9975 -           |                |                                |
|                | _ Legal settlements                                                                                         | 9976 -           |                |                                |
|                | _ Unrealized gains/losses                                                                                   | 9980 +           |                |                                |
|                | _ Unusual items                                                                                             | 9985 —<br>9990 — | 10,221         | 7,713                          |
| <u> </u>       | _ Current income taxes                                                                                      | 9990 —<br>9995 — | -7,410         | -22,230                        |
| . <u></u>      | Deferred income tax provision     Total – Other comprehensive income     Total – Other comprehensive income | 9993 -<br>9998 + | 017,7          |                                |
|                | Net income/loss after taxes and extraordinary items (mandatory field)                                       | 9999 =           | 14,579         | 12,273                         |
|                |                                                                                                             | -                | 1,0,9          | 10,2,5                         |



Canada Revenue Agence du revenu du Canada

## **SCHEDULE 141**

#### **NOTES CHECKLIST**

2009-12-31

| Corporation's name                                                                                                                                                                                                            | Business Number                | Tax year-end                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|------------------------------|
| HYDRO 2000 INC.                                                                                                                                                                                                               | 86595 5397 RC0001              | Year Month Day<br>2009-12-31 |
| <ul> <li>Parts 1, 2, and 3 of this schedule must be completed from the perspective of the person (referred to in thes who prepared or reported on the financial statements.</li> </ul>                                        |                                |                              |
| <ul> <li>For more information, see Guide RC4088, General Index of Financial Information (GIFI) for Corporations a<br/>T2 Corporation – Income Tax Guide.</li> </ul>                                                           | nd Guide T4012,                |                              |
| <ul> <li>Complete this schedule, and include it with your T2 return along with the other GIFI schedules.</li> </ul>                                                                                                           |                                |                              |
| If the person preparing the tax return is not the accountant referred to above, they must still complete Parts 1, 2                                                                                                           | 2, 3, and 4, as applicable.    |                              |
| - Part 1 – Information on the accountant preparing or reporting on the financia                                                                                                                                               | I statements ———               |                              |
| Does the accountant have a professional designation?                                                                                                                                                                          |                                | 95 1 Yes X 2 No              |
| Is the accountant connected* with the corporation?                                                                                                                                                                            |                                | 97 1 Yes 2 No 🗙              |
| * A person connected with a corporation can be: (i) a shareholder of the corporation who owns more than 10 (ii) a director, an officer, or an employee of the corporation; or (iii) a person not dealing at arm's length with |                                |                              |
| Note: If the accountant does not have a professional designation <b>or</b> is connected to the corporation, you do r<br>Parts 2 and 3 of this schedule. However, you do have to complete Part 4, as applicable.               | not have to complete           |                              |
| Part 2 – Type of involvement with the financial statements ————                                                                                                                                                               |                                |                              |
| Choose the option that represents the highest level of involvement of the accountant:                                                                                                                                         | 19                             | 98                           |
| Completed an auditor's report                                                                                                                                                                                                 |                                | 1 <b>X</b>                   |
| Completed a review engagement report                                                                                                                                                                                          |                                | 2                            |
| Conducted a compilation engagement                                                                                                                                                                                            |                                | 3                            |
|                                                                                                                                                                                                                               |                                |                              |
| Part 3 – Reservations                                                                                                                                                                                                         |                                |                              |
| If you selected option "1" or "2" under Type of involvement with the financial statements above, answer the                                                                                                                   | ne following question:         |                              |
| Has the accountant expressed a reservation?                                                                                                                                                                                   |                                | 99 1 Yes 2 No 🗙              |
| Part 4 – Other information                                                                                                                                                                                                    |                                |                              |
| If you have a professional designation and are not the accountant associated with the financial statements in F                                                                                                               | Part 1 above, choose one of th |                              |
| Prepared the tax return (financial statements prepared by client)                                                                                                                                                             | 1                              | 1                            |
| Prepared the tax return and the financial information contained therein (financial statements have not been pre                                                                                                               | epared)2                       | 2                            |
| Were notes to the financial statements prepared?                                                                                                                                                                              |                                | 01 1 Yes X 2 No              |
| If yes, complete lines 102 to 107 below:                                                                                                                                                                                      |                                |                              |
| Are any values presented at other than cost?                                                                                                                                                                                  |                                |                              |
| Has there been a change in accounting policies since the last return?                                                                                                                                                         |                                | 03 1 Yes 2 No X              |
| Are subsequent events mentioned in the notes?                                                                                                                                                                                 |                                | 04 1 Yes 2 No X              |
| Is re-evaluation of asset information mentioned in the notes?                                                                                                                                                                 |                                | 05 1 Yes 2 No X              |
| Is contingent liability information mentioned in the notes?                                                                                                                                                                   |                                | 06 1 Yes 2 No 🗴              |
| Is information regarding commitments mentioned in the notes?                                                                                                                                                                  |                                | 07 1 Yes 2 No X              |
| Does the corporation have investments in joint venture(s) or partnership(s)?                                                                                                                                                  |                                | 08 1 Yes 2 No X              |
| If <b>yes</b> , complete line 109 below:                                                                                                                                                                                      |                                |                              |
| Are you filing financial statements of the joint venture(s) or partnership(s)?                                                                                                                                                | <u>1</u> 0                     | 09 1 Yes 2 No                |
| T2 SCH 141 (08)                                                                                                                                                                                                               |                                | Canadä                       |

# SCHEDULE 100

# **GENERAL INDEX OF FINANCIAL INFORMATION – GIFI**

| Form identifier 100 |                   |                                |
|---------------------|-------------------|--------------------------------|
| Name of corporation | Business Number   | Tax year-end<br>Year Month Day |
| HYDRO 2000 INC.     | 86595 5397 RC0001 | 2009-12-31                     |

## Assets - lines 1000 to 2599

| 1002 | 314,786  | 1062 | 233,927   | 1063 | -6,910  |
|------|----------|------|-----------|------|---------|
| 1483 | 13,779   | 1484 | 39,985    | 1599 | 595,567 |
| 1774 | 103,247  | 1775 | -52,563   | 1783 | 846,460 |
| 1784 | -333,709 | 1787 | 4,158     | 1788 | -3,198  |
| 1900 | -140,754 | 1901 | 15,405    | 2008 | 813,111 |
| 2009 | -374,065 | 2018 | 4,639     | 2019 | -4,639  |
| 2178 | 4,639    | 2179 | -4,639    | 2424 | 411,568 |
| 2589 | 411,568  | 2599 | 1,446,181 |      |         |

#### Liabilities - lines 2600 to 3499

| 2621 | 75,402  | <b>2920</b> 74,261  | <b>2960</b> 180,302 |
|------|---------|---------------------|---------------------|
| 3139 | 329,965 | <b>3240</b> 6,686   | <b>3262</b> 184,244 |
| 3320 | 192,706 | <b>3450</b> 383,636 | <b>3499</b> 713,601 |

# Shareholder equity - lines 3500 to 3640

| 3500     | 308,735                       | 3600 | 423,845 | 3620 | 732,580 |
|----------|-------------------------------|------|---------|------|---------|
| 3640     | 1,446,181                     |      |         |      |         |
| Retained | earnings – lines 3660 to 3849 |      |         |      |         |

| 3660 | 419,054 | 3680 | 14,579_ | 3740 | -9,788 |
|------|---------|------|---------|------|--------|
| 3849 | 423,845 |      |         |      |        |

# SCHEDULE 125

## **GENERAL INDEX OF FINANCIAL INFORMATION – GIFI**

| Form identifier 1 | 25                         |              |           |                   |                                |
|-------------------|----------------------------|--------------|-----------|-------------------|--------------------------------|
| Name of corpor    | ation                      |              |           | Business Number   | Tax year-end<br>Year Month Day |
| HYDRO 2000        | HYDRO 2000 INC.            |              |           | 86595 5397 RC0001 | 2009-12-31                     |
| Revenue – I       | ines 8000 to 8299          |              |           |                   |                                |
| 8000              | 2,418,649                  | 8089         | 2,418,649 | 8230              | 36,423                         |
| 8299              | 2,455,072                  |              |           |                   |                                |
| Cost of sale      | es – lines 8300 to 8519    |              |           |                   |                                |
| 8320              | 2,089,909                  | 8518         | 2,089,909 | 8519              | 328,740                        |
| Operating e       | expenses – lines 8520 to 9 | 369          |           |                   |                                |
| 8570              | 878_                       | 8670         | 52,385    | 9284              | 294,510                        |
| 9367              | 347,773                    | 9368         | 2,437,682 | 9369              | 17,390                         |
| Farming rev       | venue – lines 9370 to 9659 |              |           |                   |                                |
| 9659              | 0                          |              |           |                   |                                |
| Farming ex        | penses – lines 9660 to 989 | 9            |           |                   |                                |
| 9898              | 0                          |              |           |                   |                                |
| Extraordina       | ry items and taxes – lines | 9970 to 9999 |           |                   |                                |
| 9970              | 17,390                     | 9990         | 10,221    | 9995              | -7,410                         |
| 9999              | 14,579                     |              |           |                   |                                |

| Canada Revenue<br>Agency       Agence du revenu<br>du Canada       NET INCOME (LOSS) FOR INCOME                                                                                                                                                                                                                                                      | OME TAX PURPOSES     | SCHEDULE 1                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|--------------------------------|
| Corporation's name                                                                                                                                                                                                                                                                                                                                   | Business Number      | Tax year end<br>Year Month Day |
| HYDRO 2000 INC.                                                                                                                                                                                                                                                                                                                                      | 86595 5397 RC0001    | 2009-12-31                     |
| <ul> <li>The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss net income (loss) for tax purposes. For more information, see the T2 <i>Corporation Income Tax Guide</i>.</li> <li>Sections, subsections, and paragraphs referred to on this schedule are from the <i>Income Tax Act</i>.</li> </ul> |                      | ments and its                  |
| Amount calculated on line 9999 from Schedule 125                                                                                                                                                                                                                                                                                                     |                      | 14,579_A                       |
| Add:                                                                                                                                                                                                                                                                                                                                                 |                      |                                |
| Provision for income taxes – current                                                                                                                                                                                                                                                                                                                 | 01 10,221            |                                |
| Provision for income taxes – deferred                                                                                                                                                                                                                                                                                                                | -7,410               |                                |
| Amortization of tangible assets                                                                                                                                                                                                                                                                                                                      | <b>04</b> 52,385     |                                |
| Amortization of intangible assets                                                                                                                                                                                                                                                                                                                    | <b>06</b> 878        |                                |
| Subtotal of additions                                                                                                                                                                                                                                                                                                                                | 56,074               | 56,074                         |
| Other additions:                                                                                                                                                                                                                                                                                                                                     |                      |                                |
| Miscellaneous other additions:                                                                                                                                                                                                                                                                                                                       |                      |                                |
| 600 Recouvrements, variations et dépenses dans autres actifs                                                                                                                                                                                                                                                                                         | 73,216               |                                |
|                                                                                                                                                                                                                                                                                                                                                      | 291 976              |                                |
|                                                                                                                                                                                                                                                                                                                                                      | <b>292</b> 74,660    |                                |
| 604 Total                                                                                                                                                                                                                                                                                                                                            | 294                  |                                |
|                                                                                                                                                                                                                                                                                                                                                      | 99 148,852 ►         | 148,852                        |
|                                                                                                                                                                                                                                                                                                                                                      | 500 204,926          | 204,926                        |
| Deduct:                                                                                                                                                                                                                                                                                                                                              |                      |                                |
| Capital cost allowance from Schedule 8                                                                                                                                                                                                                                                                                                               | 85,978               |                                |
| Cumulative eligible capital deduction from Schedule 10                                                                                                                                                                                                                                                                                               | 105 144              |                                |
| Subtotal of deducti                                                                                                                                                                                                                                                                                                                                  | ons 86,122 ►         | 86,122                         |
| Other deductions:                                                                                                                                                                                                                                                                                                                                    |                      |                                |
| Miscellaneous other deductions:                                                                                                                                                                                                                                                                                                                      |                      |                                |
| 702 Caisse @ exercice Déc 2009                                                                                                                                                                                                                                                                                                                       | <b>392</b> 71,432    |                                |
| 704                                                                                                                                                                                                                                                                                                                                                  |                      |                                |
| Total                                                                                                                                                                                                                                                                                                                                                | 394                  |                                |
| Subtotal of other deductions                                                                                                                                                                                                                                                                                                                         | <b>199</b> 71,432 ►  | 71,432                         |
| Total deductions                                                                                                                                                                                                                                                                                                                                     | <b>510</b> 157,554 ► | 157,554                        |
|                                                                                                                                                                                                                                                                                                                                                      |                      | 61,951                         |

T2 SCH 1 E (10)

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| -07-26 13:18                                                                        |                                                  |                                                    |                             |                            | 86595 5397 R                               |
|-------------------------------------------------------------------------------------|--------------------------------------------------|----------------------------------------------------|-----------------------------|----------------------------|--------------------------------------------|
|                                                                                     | nce du revenu<br>Canada                          |                                                    |                             |                            | SCHEDULE                                   |
| 0                                                                                   | TAX CALCULAT                                     | ION SUPPLEMEN                                      | ITARY – CORPORA             | TIONS                      |                                            |
| Corporation's name                                                                  |                                                  |                                                    | E                           | Business Number            | Tax year-end<br>Year Month Day             |
| HYDRO 2000 INC.                                                                     |                                                  |                                                    | 865                         | 95 5397 RC0001             | 2009-12-31                                 |
| <ul><li>has to pay taxes, other the</li><li>Regulations mentioned in this</li></ul> |                                                  | d and Labrador, or Onta<br><i>Fax Regulations.</i> | rio (see Part 2).           |                            |                                            |
| 100                                                                                 |                                                  |                                                    | Enter the regulation that a | pplies (402 to 413).       |                                            |
| Α                                                                                   | В                                                | С                                                  | D                           | E                          | F                                          |
| Jurisdiction<br>Tick yes if the corporation                                         | Total salaries and wages<br>paid in jurisdiction | (B x taxable income**) / G                         | Gross revenue               | (D x taxable income**) / H | Allocation of taxable income (C + E) x 1/2 |

| Α                                                                                           |                             | В                                                | С                             | D             | E                             | F                                                                                                        |
|---------------------------------------------------------------------------------------------|-----------------------------|--------------------------------------------------|-------------------------------|---------------|-------------------------------|----------------------------------------------------------------------------------------------------------|
| Jurisdictio<br>Tick yes if the co<br>had a perma<br>establishment<br>jurisdiction during th | rporation<br>nent<br>in the | Total salaries and wages<br>paid in jurisdiction | (B x taxable<br>income**) / G | Gross revenue | (D x taxable<br>income**) / H | Allocation of taxable<br>income (C + E) x 1/2<br>(where either G or H is<br>nil, do not multiply by 1/2) |
| Newfoundland<br>and Labrador                                                                | 003<br>1 Yes                | 103                                              |                               | 143           |                               |                                                                                                          |
| Newfoundland and Labrador offshore                                                          | 004<br>1 Yes                | 104                                              |                               | 144           |                               |                                                                                                          |
| Prince Edward<br>Island                                                                     | 005<br>1 Yes                | 105                                              |                               | 145           |                               |                                                                                                          |
| Nova Scotia                                                                                 | 007<br>1 Yes                | 107                                              |                               | 147           |                               |                                                                                                          |
| Nova Scotia<br>offshore                                                                     | 008<br>1 Yes                | 108                                              |                               | 148           |                               |                                                                                                          |
| New<br>Brunswick                                                                            | 009<br>1 Yes                | 109                                              |                               | 149           |                               |                                                                                                          |
| Quebec                                                                                      | 011<br>1 Yes                | 111                                              |                               | 151           |                               |                                                                                                          |
| Ontario                                                                                     | 013<br>1 Yes                | 113                                              |                               | 153           |                               |                                                                                                          |
| Manitoba                                                                                    | 015<br>1 Yes                | 115                                              |                               | 155           |                               |                                                                                                          |
| Saskatchewan                                                                                | 017<br>1 Yes                | 117                                              |                               | 157           |                               |                                                                                                          |
| Alberta                                                                                     | 019<br>1 Yes                | 119                                              |                               | 159           |                               |                                                                                                          |
| British<br>Columbia                                                                         | 021<br>1 Yes                | 121                                              |                               | 161           |                               |                                                                                                          |
| Yukon                                                                                       | 023<br>1 Yes                | 123                                              |                               | 163           |                               |                                                                                                          |
| Northwest<br>Territories                                                                    | 025<br>1 Yes                | 125                                              |                               | 165           |                               |                                                                                                          |
| Nunavut                                                                                     | 026<br>1 Yes                | 126                                              |                               | 166           |                               |                                                                                                          |
| Outside<br>Canada                                                                           | 027<br>1 Yes                | 127                                              |                               | 167           |                               |                                                                                                          |
| Total                                                                                       |                             | 129 G                                            |                               | 169 H         |                               |                                                                                                          |

\* "Permanent establishment" is defined in Regulation 400(2).

\*\* Starting in 2009, if the corporation has income or loss from an international banking centre; the taxable income is the amount on line 360 or line Z of the T2 return **plus** the total amount not required to be included, or **minus** the total amount not allowed to be deducted, in calculating the corporation's income under section 33.1 of the federal Income Tax Act. Notes:

 After determining the allocation of taxable income, you have to calculate the corporation's provincial or territorial tax payable. For more information on how to calculate the tax for each province or territory, see the instructions for Schedule 5 in the T2 Corporation - Income Tax Guide.

2. If the corporation has provincial or territorial tax payable, complete Part 2.

T2 SCH 5 E (10)

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# $_{ m \Box}$ Part 2 – Ontario tax payable, tax credits, and rebates –

| Total taxable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Income eligible                                                                                                                                                                                                                                                                                                                                                                                                                                 | Provincial or                                                                                                                                                                                                                                                                                                                | Provincial or                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                 |                               |                |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|----------------|
| income                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | for small business<br>deduction                                                                                                                                                                                                                                                                                                                                                                                                                 | territorial allocation<br>of taxable income                                                                                                                                                                                                                                                                                  | territorial tax<br>payable before<br>credits                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                 |                               |                |
| 61,951                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 61,951                                                                                                                                                                                                                                                                                                                                                                                                                                          | 61,951                                                                                                                                                                                                                                                                                                                       | 3,4                                                                                                                                | 107                                                                                                                                                                                                                                                                                                                                                                                             |                               |                |
| Ontario basic incom                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | e tax (from Schedule s                                                                                                                                                                                                                                                                                                                                                                                                                          | 500)                                                                                                                                                                                                                                                                                                                         |                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                 | 8,673                         |                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                              |                                                                                                                                    | 402                                                                                                                                                                                                                                                                                                                                                                                             | 5,266                         |                |
| Jeduct: Ontario sma                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Il business deduction (1                                                                                                                                                                                                                                                                                                                                                                                                                        | rom schedule 500)                                                                                                                                                                                                                                                                                                            | Subtotal (if                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                 | 3,407                         | 3,407          |
| Add:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                              | Subtotal (II                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                 | <u> </u>                      | 3,107          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | mall business deduction                                                                                                                                                                                                                                                                                                                                                                                                                         | n (from Schedule 500)                                                                                                                                                                                                                                                                                                        |                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                 |                               |                |
| Ontario additional ta                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | ax re Crown royalties (fr                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                              |                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                 |                               |                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | tax debits (from Sched                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                              |                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                 |                               |                |
| Recapture of Ontari                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | io research and develop                                                                                                                                                                                                                                                                                                                                                                                                                         | oment tax credit (from S                                                                                                                                                                                                                                                                                                     | Schedule 508)                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                 | <b>、</b>                      |                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                              |                                                                                                                                    | Subtotal                                                                                                                                                                                                                                                                                                                                                                                        |                               |                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                              |                                                                                                                                    | Subtotal (amo                                                                                                                                                                                                                                                                                                                                                                                   | unt A6 <b>plus</b> amount B6) | 3,407          |
| Deduct:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                              |                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                 |                               |                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | x credit (from Schedule                                                                                                                                                                                                                                                                                                                                                                                                                         | ,                                                                                                                                                                                                                                                                                                                            |                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                 |                               |                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                 | ocessing (from Schedu                                                                                                                                                                                                                                                                                                        |                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                 |                               |                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 1)                                                                                                                                                                                                                                                                                                                           |                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                 |                               |                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | tax credits (from Sched                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                              |                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                 |                               |                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | tributions tax credit (fro                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                              |                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                 |                               |                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                              |                                                                                                                                    | Subtotal                                                                                                                                                                                                                                                                                                                                                                                        | ▶                             |                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                              |                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                 |                               | 3,407          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                              |                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                 |                               | 3 407          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                              | Subtotal (ar                                                                                                                       | mount C6 <b>minus</b> amount D                                                                                                                                                                                                                                                                                                                                                                  | 6) (if negative, enter "0")   | 5,107          |
| Deduct: Ontario rese                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | arch and development                                                                                                                                                                                                                                                                                                                                                                                                                            | tax credit (from Schedu                                                                                                                                                                                                                                                                                                      |                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                 |                               | 5,107          |
| Ontario corporate inco                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | ome tax payable before                                                                                                                                                                                                                                                                                                                                                                                                                          | Ontario corporate minin                                                                                                                                                                                                                                                                                                      | le 508)<br>num tax credit (arr                                                                                                     | nount E6 <b>minus</b> amount on                                                                                                                                                                                                                                                                                                                                                                 | line 416)                     |                |
| Ontario corporate inco                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | ome tax payable before                                                                                                                                                                                                                                                                                                                                                                                                                          | Ontario corporate minin                                                                                                                                                                                                                                                                                                      | le 508)<br>num tax credit (arr                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                 | line 416)                     |                |
| Ontario corporate inco<br>if negative, enter "0")                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | ome tax payable before                                                                                                                                                                                                                                                                                                                                                                                                                          | Ontario corporate minin                                                                                                                                                                                                                                                                                                      | le 508)<br>num tax credit (an                                                                                                      | nount E6 <b>minus</b> amount on                                                                                                                                                                                                                                                                                                                                                                 | line 416)                     |                |
| Ontario corporate inco<br>if negative, enter "0")<br><b>Deduct:</b> Ontario corp<br>Ontario corporate inco                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | ome tax payable before                                                                                                                                                                                                                                                                                                                                                                                                                          | Ontario corporate minin                                                                                                                                                                                                                                                                                                      | le 508)<br>num tax credit (an                                                                                                      | nount E6 <b>minus</b> amount on                                                                                                                                                                                                                                                                                                                                                                 | line 416)                     | 3,407          |
| Ontario corporate inco<br>(if negative, enter "0")<br>Deduct: Ontario corp<br>Ontario corporate inco<br>Add:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | ome tax payable before                                                                                                                                                                                                                                                                                                                                                                                                                          | Ontario corporate minin<br>dit (from schedule 510)<br>nt F6 <b>minus</b> amount on                                                                                                                                                                                                                                           | le 508)<br>num tax credit (an                                                                                                      | nount E6 <b>minus</b> amount on                                                                                                                                                                                                                                                                                                                                                                 | 416       line 416)           | 3,407          |
| Ontario corporate inco<br>(if negative, enter "0")<br>Deduct: Ontario corp<br>Ontario corporate inco<br>Add:<br>Ontario corporate m                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | ome tax payable before<br>orate minimum tax crea<br>ome tax payable (amoun<br>ninimum tax (from Sche                                                                                                                                                                                                                                                                                                                                            | Ontario corporate minin<br>dit (from schedule 510)<br>nt F6 <b>minus</b> amount on                                                                                                                                                                                                                                           | le 508)<br>num tax credit (an<br>                                                                                                  | nount E6 <b>minus</b> amount on<br>                                                                                                                                                                                                                                                                                                                                                             | 416       line 416)           | 3,407          |
| Ontario corporate inco<br>(if negative, enter "0")<br>Deduct: Ontario corp<br>Ontario corporate inco<br>Add:<br>Ontario corporate m<br>Ontario special add                                                                                                                                                                                                                                                                                                                                                                                                                                                | ome tax payable before<br>orate minimum tax cred<br>ome tax payable (amoun<br>ninimum tax (from Sche<br>itional tax on life insura                                                                                                                                                                                                                                                                                                              | Ontario corporate minin<br>dit (from schedule 510)<br>nt F6 <b>minus</b> amount on<br>edule 510)                                                                                                                                                                                                                             | le 508)<br>num tax credit (an<br>                                                                                                  | nount E6 <b>minus</b> amount on<br>                                                                                                                                                                                                                                                                                                                                                             | 416       line 416)           | 3,407          |
| Ontario corporate inco<br>if negative, enter "0")<br>Deduct: Ontario corp<br>Ontario corporate inco<br>Add:<br>Ontario corporate m<br>Ontario special add                                                                                                                                                                                                                                                                                                                                                                                                                                                 | ome tax payable before<br>orate minimum tax cred<br>ome tax payable (amoun<br>ninimum tax (from Sche<br>itional tax on life insura                                                                                                                                                                                                                                                                                                              | Ontario corporate minin<br>dit (from schedule 510)<br>nt F6 <b>minus</b> amount on<br>edule 510)                                                                                                                                                                                                                             | le 508)<br>num tax credit (an<br>                                                                                                  | nount E6 minus amount on<br>tive, enter "0")                                                                                                                                                                                                                                                                                                                                                    | 416       line 416)           | 3,407          |
| Ontario corporate inco<br>if negative, enter "0")<br>Deduct: Ontario corp<br>Ontario corporate inco<br>Add:<br>Ontario corporate m<br>Ontario special add<br>Ontario capital tax (                                                                                                                                                                                                                                                                                                                                                                                                                        | orne tax payable before<br>orate minimum tax crea<br>ome tax payable (amoun<br>ninimum tax (from Sche<br>itional tax on life insura<br>from Schedule 514 or \$                                                                                                                                                                                                                                                                                  | Ontario corporate minin<br>dit (from schedule 510)<br>nt F6 <b>minus</b> amount on<br>edule 510)                                                                                                                                                                                                                             | le 508)<br>num tax credit (an<br>                                                                                                  | nount E6 minus amount on<br>tive, enter "0")                                                                                                                                                                                                                                                                                                                                                    | 416       line 416)           | 3,407          |
| Ontario corporate inco<br>(if negative, enter "0")<br>Deduct: Ontario corp<br>Ontario corporate inco<br>Add:<br>Ontario corporate m<br>Ontario special add<br>Ontario capital tax (<br>Total Ontario tax paya                                                                                                                                                                                                                                                                                                                                                                                             | orne tax payable before<br>orate minimum tax crea<br>ome tax payable (amoun<br>ninimum tax (from Sche<br>itional tax on life insura<br>from Schedule 514 or \$                                                                                                                                                                                                                                                                                  | Ontario corporate minin<br>dit (from schedule 510)<br>nt F6 <b>minus</b> amount on<br>edule 510)<br>nce corporations (from s<br>Schedule 515, whicheve                                                                                                                                                                       | le 508)<br>num tax credit (an<br>                                                                                                  | nount E6 minus amount on<br>tive, enter "0")                                                                                                                                                                                                                                                                                                                                                    | 416       line 416)           | 3,407          |
| Dntario corporate inco<br>if negative, enter "0")<br>Deduct: Ontario corp<br>Ontario corporate inco<br>Add:<br>Ontario corporate m<br>Ontario special add<br>Ontario capital tax (<br>Fotal Ontario tax paya<br>Deduct:                                                                                                                                                                                                                                                                                                                                                                                   | orne tax payable before<br>orate minimum tax crea<br>ome tax payable (amoun<br>ninimum tax (from Sche<br>itional tax on life insura<br>from Schedule 514 or \$                                                                                                                                                                                                                                                                                  | Ontario corporate minin<br>dit (from schedule 510)<br>nt F6 <b>minus</b> amount on<br>edule 510)<br>nce corporations (from s<br>Schedule 515, whicheve<br>credits (amount G6 <b>plus</b>                                                                                                                                     | le 508)<br>num tax credit (an<br>                                                                                                  | nount E6 minus amount on<br>tive, enter "0")<br>278<br>280<br>282<br>Subtotal                                                                                                                                                                                                                                                                                                                   | 416       line 416)           | 3,407<br>3,407 |
| Dntario corporate inco<br>if negative, enter "0")<br>Deduct: Ontario corp<br>Dntario corporate inco<br>Add:<br>Ontario corporate m<br>Ontario special add<br>Ontario capital tax (<br>Total Ontario tax paya<br>Deduct:<br>Ontario qualifying e                                                                                                                                                                                                                                                                                                                                                           | ome tax payable before<br>orate minimum tax crea<br>ome tax payable (amoun<br>ninimum tax (from Sche<br>itional tax on life insura<br>from Schedule 514 or s<br>able before refundable o                                                                                                                                                                                                                                                        | Ontario corporate minin<br>dit (from schedule 510)<br>nt F6 <b>minus</b> amount on<br>edule 510)<br>nce corporations (from s<br>Schedule 515, whicheve<br>credits (amount G6 <b>plus</b>                                                                                                                                     | le 508)<br>num tax credit (an<br><br>n line 418) (if negat<br><br>Schedule 512)<br>er applies)<br>s amount H6)                     | nount E6 minus amount on         278         280         280         282         Subtotal            450            452 | 416       line 416)           | 3,407<br>3,407 |
| Ditario corporate inco<br>if negative, enter "0")<br>Deduct: Ontario corp<br>Ditario corporate inco<br>Add:<br>Ontario corporate m<br>Ontario special add<br>Ontario capital tax (<br>Fotal Ontario tax paya<br>Deduct:<br>Ontario qualifying e<br>Ontario co-operative                                                                                                                                                                                                                                                                                                                                   | orme tax payable before<br>orate minimum tax crea<br>orme tax payable (amoun<br>ninimum tax (from Sche<br>itional tax on life insura<br>from Schedule 514 or s<br>able before refundable of<br>nvironmental trust tax of                                                                                                                                                                                                                        | Ontario corporate minin<br>dit (from schedule 510)<br>nt F6 <b>minus</b> amount on<br>edule 510)<br>Schedule 515, whicheve<br>credits (amount G6 <b>plus</b><br>credit<br>from Schedule 550)                                                                                                                                 | le 508)<br>num tax credit (an<br>                                                                                                  | nount E6 minus amount on         tive, enter "0")         278         280         282         Subtotal         Subtotal         450         452         454                                                                                                                                                                                                                                     | 416       line 416)           | 3,407<br>3,407 |
| Ontario corporate inco<br>if negative, enter "0")<br>Deduct: Ontario corp<br>Ontario corporate inco<br>Add:<br>Ontario corporate inco<br>Add:<br>Ontario special add<br>Ontario special add<br>Ontario capital tax (<br>Fotal Ontario tax paya<br>Deduct:<br>Ontario qualifying e<br>Ontario co-operative<br>Ontario apprentices<br>Ontario computer a                                                                                                                                                                                                                                                    | ome tax payable before<br>orate minimum tax crea<br>ome tax payable (amoun<br>ninimum tax (from Sche<br>itional tax on life insura<br>from Schedule 514 or \$<br>able before refundable of<br>nvironmental trust tax of<br>e education tax credit (f<br>nimation and special ef                                                                                                                                                                 | Ontario corporate minin<br>dit (from schedule 510)<br>nt F6 <b>minus</b> amount on<br>edule 510)<br>Schedule 515, whicheve<br>credits (amount G6 <b>plus</b><br>credit<br>rom Schedule 550)<br>from Schedule 552)<br>fects tax credit (from Sc                                                                               | le 508)<br>num tax credit (an<br><br>a line 418) (if negat<br><br>Schedule 512)<br>er applies)<br>s amount H6)<br><br>chedule 554) | nount E6 minus amount on<br>ive, enter "0")<br>278<br>280<br>282<br>Subtotal<br>                                                                                                                                                                                                                                                                                                                | 416       line 416)           | 3,407<br>3,407 |
| Ditario corporate inco<br>if negative, enter "0")<br>Deduct: Ontario corp<br>Ditario corporate inco<br>Add:<br>Ontario corporate inco<br>Add:<br>Ontario corporate m<br>Ontario special add<br>Ontario special add<br>Ontario capital tax (<br>Fotal Ontario tax paya<br>Deduct:<br>Ontario qualifying e<br>Ontario co-operative<br>Ontario co-operative<br>Ontario computer ai<br>Ontario computer ai                                                                                                                                                                                                    | ome tax payable before<br>orate minimum tax crea<br>ome tax payable (amoun<br>ninimum tax (from Sche<br>itional tax on life insura<br>from Schedule 514 or s<br>able before refundable of<br>nvironmental trust tax of<br>e education tax credit (f<br>hip training tax credit (f<br>nimation and special ef<br>evision tax credit (from                                                                                                        | Ontario corporate minin<br>dit (from schedule 510)<br>nt F6 <b>minus</b> amount on<br>edule 510)<br>nce corporations (from s<br>Schedule 515, whicheve<br>credits (amount G6 <b>plus</b><br>eredit                                                                                                                           | le 508)<br>num tax credit (an<br>                                                                                                  | amount E6 minus amount on<br>ive, enter "0")<br>278<br>280<br>282<br>Subtotal<br>Subtotal<br>450<br>452<br>454<br>454<br>456<br>458                                                                                                                                                                                                                                                             | 416       line 416)           | 3,407          |
| Ontario corporate inco<br>if negative, enter "0")<br>Oeduct: Ontario corp<br>Ontario corporate inco<br>Add:<br>Ontario corporate inco<br>Add:<br>Ontario corporate m<br>Ontario special add<br>Ontario special add<br>Ontario capital tax (<br>Total Ontario tax paya<br>Oeduct:<br>Ontario qualifying e<br>Ontario co-operative<br>Ontario co-operative<br>Ontario computer an<br>Ontario computer an<br>Ontario film and tele<br>Ontario production s                                                                                                                                                   | ome tax payable before<br>orate minimum tax crea<br>ome tax payable (amoun<br>ninimum tax (from Sche<br>itional tax on life insura<br>from Schedule 514 or s<br>able before refundable of<br>nvironmental trust tax of<br>e education tax credit (f<br>nimation and special ef<br>evision tax credit (from<br>services tax credit (from                                                                                                         | Ontario corporate minin<br>dit (from schedule 510)<br>nt F6 <b>minus</b> amount on<br>edule 510)<br>nce corporations (from s<br>Schedule 515, whicheve<br>credits (amount G6 <b>plus</b><br>credit                                                                                                                           | le 508)<br>num tax credit (an<br>line 418) (if negal<br>Schedule 512)<br>er applies)<br>s amount H6)<br>                           | nount E6 minus amount on         nount E6 minus amount on         tive, enter "0")         278         280         282         Subtotal         Subtotal         450         452         454         456         458         460                                                                                                                                                                | 416       line 416)           | 3,407<br>3,407 |
| Ditario corporate inco<br>if negative, enter "0")<br>Deduct: Ontario corp<br>Ditario corporate inco<br>Add:<br>Ontario corporate inco<br>Add:<br>Ontario special add<br>Ontario special add<br>Ontario capital tax (<br>Total Ontario tax paya<br>Deduct:<br>Ontario qualifying e<br>Ontario co-operative<br>Ontario apprentices<br>Ontario computer al<br>Ontario film and tele<br>Ontario production s                                                                                                                                                                                                  | ome tax payable before<br>orate minimum tax crea<br>ome tax payable (amoun<br>ninimum tax (from Sche<br>itional tax on life insura<br>from Schedule 514 or s<br>able before refundable of<br>nvironmental trust tax of<br>e education tax credit (f<br>nimation and special ef<br>evision tax credit (from<br>services tax credit (from<br>digital media tax credit (                                                                           | Ontario corporate minin<br>dit (from schedule 510)<br>nt F6 <b>minus</b> amount on<br>edule 510)<br>nce corporations (from s<br>Schedule 515, whicheve<br>credits (amount G6 <b>plus</b><br>credit                                                                                                                           | le 508)<br>num tax credit (an<br>line 418) (if negal<br>Schedule 512)<br>er applies)<br>s amount H6)<br>                           | nount E6 minus amount on<br>tive, enter "0")<br>278<br>280<br>282<br>Subtotal<br>Subtotal<br>450<br>452<br>454<br>454<br>456<br>458<br>458<br>460<br>462                                                                                                                                                                                                                                        | 416       line 416)           | 3,407          |
| Ditario corporate inco<br>if negative, enter "0")<br>Deduct: Ontario corp<br>Ditario corporate inco<br>Add:<br>Ontario corporate inco<br>Ontario special add<br>Ontario special add<br>Ontario capital tax (<br>Total Ontario tax paya<br>Deduct:<br>Ontario qualifying e<br>Ontario qualifying e<br>Ontario co-operative<br>Ontario computer ai<br>Ontario film and tele<br>Ontario film and tele<br>Ontario production s<br>Ontario interactive o                                                                                                                                                       | orne tax payable before<br>orate minimum tax creat<br>orne tax payable (amoun<br>ninimum tax (from Sche<br>itional tax on life insura<br>from Schedule 514 or s<br>able before refundable of<br>nvironmental trust tax of<br>e education tax credit (from<br>services tax credit (from<br>services tax credit (from<br>digital media tax credit (from S                                                                                         | Ontario corporate minin<br>dit (from schedule 510)<br>int F6 <b>minus</b> amount on<br>edule 510)<br>schedule 515, whicheve<br>credits (amount G6 <b>plus</b><br>credit<br>rom Schedule 550)<br>from Schedule 552)<br>fects tax credit (from Sc<br>Schedule 558)<br>from Schedule 558)<br>from Schedule 560)<br>chedule 562) | le 508)<br>num tax credit (an<br>a line 418) (if negat<br>Schedule 512)<br>er applies)<br>s amount H6)<br><br>chedule 554)         | nount E6 minus amount on<br>tive, enter "0")<br>278<br>280<br>282<br>Subtotal<br>Subtotal<br>450<br>452<br>454<br>454<br>456<br>454<br>456<br>458<br>460<br>462<br>464                                                                                                                                                                                                                          | 416       line 416)           | 3,407<br>3,407 |
| Ontario corporate inco<br>(if negative, enter "0")<br>Deduct: Ontario corp<br>Ontario corporate inco<br>Add:<br>Ontario corporate inco<br>Add:<br>Ontario corporate m<br>Ontario special add<br>Ontario special add<br>Ontario capital tax (<br>Total Ontario tax paya<br>Deduct:<br>Ontario qualifying e<br>Ontario qualifying e<br>Ontario co-operative<br>Ontario apprentices<br>Ontario computer au<br>Ontario film and tele<br>Ontario production s<br>Ontario interactive o<br>Ontario sound recon<br>Ontario book publis                                                                           | ome tax payable before<br>orate minimum tax crea<br>ome tax payable (amoun<br>ninimum tax (from Sche<br>itional tax on life insura<br>from Schedule 514 or S<br>able before refundable of<br>nvironmental trust tax of<br>e education tax credit (from<br>services tax credit (from<br>services tax credit (from<br>digital media tax credit (from S<br>hing tax credit (from S<br>hing tax credit (from S                                      | Ontario corporate minin<br>dit (from schedule 510)<br>nt F6 <b>minus</b> amount on<br>edule 510)<br>Schedule 515, whicheve<br>credits (amount G6 <b>plus</b><br>credit<br>from Schedule 550)<br>from Schedule 552)<br>fects tax credit (from Sc<br>Schedule 556)<br>n Schedule 558)<br>from Schedule 560)<br>chedule 562)    | le 508)<br>num tax credit (an<br>line 418) (if negal<br>Schedule 512)<br>er applies)<br>s amount H6)<br>                           | nount E6 minus amount on<br>tive, enter "0")<br>278<br>280<br>282<br>Subtotal<br>5ubtotal<br>450<br>452<br>454<br>456<br>456<br>458<br>456<br>458<br>460<br>464<br>464<br>466                                                                                                                                                                                                                   | 416       line 416)           | 3,407<br>3,407 |
| Ontario corporate inco<br>(if negative, enter "0")<br>Deduct: Ontario corp<br>Ontario corporate inco<br>Add:<br>Ontario corporate inco<br>Add:<br>Ontario corporate m<br>Ontario special add<br>Ontario special add<br>Ontario capital tax (<br>Total Ontario tax paya<br>Deduct:<br>Ontario qualifying e<br>Ontario qualifying e<br>Ontario co-operative<br>Ontario apprentices<br>Ontario computer ai<br>Ontario film and tele<br>Ontario film and tele<br>Ontario production s<br>Ontario interactive o<br>Ontario book publis<br>Ontario innovation t                                                 | ome tax payable before<br>orate minimum tax crea<br>ome tax payable (amoun<br>ninimum tax (from Sche<br>itional tax on life insura<br>from Schedule 514 or S<br>able before refundable of<br>nvironmental trust tax of<br>e education tax credit (from<br>services tax credit (from<br>services tax credit (from<br>services tax credit (from<br>digital media tax credit (from Schedu                                                          | Ontario corporate minin<br>dit (from schedule 510)<br>nt F6 <b>minus</b> amount on<br>edule 510)<br>Schedule 515, whicheve<br>credits (amount G6 <b>plus</b><br>credit<br>from Schedule 550)<br>from Schedule 552)<br>fects tax credit (from Sc<br>Schedule 556)<br>n Schedule 558)<br>from Schedule 560)<br>chedule 562)    | le 508) mum tax credit (an<br>num tax credit (an<br>line 418) (if negat<br>Schedule 512)<br>er applies)<br>s amount H6)<br>        | nount E6 minus amount on<br>ive, enter "0")<br>278<br>280<br>282<br>Subtotal<br>450<br>452<br>454<br>454<br>456<br>458<br>456<br>458<br>460<br>462<br>464<br>466<br>468<br>468                                                                                                                                                                                                                  | 416       line 416)           | 3,407          |
| Ontario corporate inco<br>(if negative, enter "0")<br>Deduct: Ontario corp<br>Ontario corporate inco<br>Add:<br>Ontario corporate inco<br>Add:<br>Ontario corporate m<br>Ontario special add<br>Ontario special add<br>Ontario capital tax (<br>Total Ontario tax paya<br>Deduct:<br>Ontario qualifying e<br>Ontario qualifying e<br>Ontario co-operative<br>Ontario apprentices<br>Ontario computer ai<br>Ontario film and tele<br>Ontario film and tele<br>Ontario production s<br>Ontario interactive o<br>Ontario sound recon<br>Ontario book publis<br>Ontario innovation t                          | ome tax payable before<br>orate minimum tax creat<br>ome tax payable (amoun<br>ninimum tax (from Sche-<br>itional tax on life insura<br>from Schedule 514 or S<br>able before refundable of<br>nvironmental trust tax of<br>e education tax credit (from<br>services tax credit (from<br>services tax credit (from<br>services tax credit (from<br>digital media tax credit (from Schedu<br>ax credit (from Schedu<br>esearch institute tax cre | Ontario corporate minin<br>dit (from schedule 510)<br>int F6 <b>minus</b> amount on<br>edule 510)<br>ince corporations (from S<br>Schedule 515, whicheve<br>credit                                                                                                                                                           | le 508) mum tax credit (an<br>num tax credit (an<br>line 418) (if negat<br>Schedule 512)<br>er applies)<br>s amount H6)<br>        | nount E6 minus amount on<br>ive, enter "0")<br>278<br>280<br>282<br>Subtotal<br>450<br>452<br>454<br>454<br>456<br>458<br>456<br>458<br>460<br>462<br>464<br>466<br>468<br>468                                                                                                                                                                                                                  | 416       line 416)           | 3,407          |
| Ontario corporate inco<br>(if negative, enter "0")<br>Deduct: Ontario corp<br>Ontario corporate inco<br>Add:<br>Ontario corporate inco<br>Add:<br>Ontario corporate m<br>Ontario special add<br>Ontario special add<br>Ontario capital tax (<br>Total Ontario tax paya<br>Deduct:<br>Ontario qualifying e<br>Ontario co-operative<br>Ontario co-operative<br>Ontario co-operative<br>Ontario computer al<br>Ontario film and tele<br>Ontario film and tele<br>Ontario production s<br>Ontario interactive o<br>Ontario sound reco<br>Ontario book publis<br>Ontario innovation t<br>Ontario business-reco | ome tax payable before<br>orate minimum tax creat<br>ome tax payable (amoun<br>ninimum tax (from Sche-<br>itional tax on life insura<br>from Schedule 514 or S<br>able before refundable of<br>nvironmental trust tax of<br>e education tax credit (from<br>services tax credit (from<br>services tax credit (from<br>services tax credit (from<br>digital media tax credit (from Schedu<br>ax credit (from Schedu<br>esearch institute tax cre | Ontario corporate minin<br>dit (from schedule 510)<br>int F6 <b>minus</b> amount on<br>edule 510)<br>ince corporations (from S<br>Schedule 515, whicheve<br>credit                                                                                                                                                           | le 508) mum tax credit (an<br>num tax credit (an<br>line 418) (if negat<br>Schedule 512)<br>er applies)<br>s amount H6)<br>        | nount E6 minus amount on<br>ive, enter "0")<br>278<br>280<br>282<br>Subtotal<br>450<br>452<br>454<br>454<br>456<br>458<br>456<br>458<br>460<br>462<br>464<br>466<br>468<br>468                                                                                                                                                                                                                  | 416       line 416)           | 3,407          |

| ⊢ Summary —                                                                                                               |       |
|---------------------------------------------------------------------------------------------------------------------------|-------|
| Summary                                                                                                                   |       |
| Enter the total net tax payable or refundable credits for all provinces and territories on line 255.                      |       |
|                                                                                                                           |       |
| Net provincial and territorial tax payable or refundable credits 255                                                      | 3,407 |
|                                                                                                                           |       |
| If the amount on line 255 is positive, enter the net provincial and territorial tax payable on line 760 of the T2 return. |       |

If the amount on line 255 is positive, enter the net provincial and territorial tax payable on line 760 of the 12 return. If the amount on line 255 is negative, enter the net provincial and territorial refundable tax credits on line 812 of the T2 return. Canada Revenue

Agency

SCHEDULE 8

#### CAPITAL COST ALLOWANCE (CCA)

| Name of corporation | Business Number   | Tax year end<br>Year Month Day |
|---------------------|-------------------|--------------------------------|
| HYDRO 2000 INC.     | 86595 5397 RC0001 | 2009-12-31                     |

2 No X

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

101

1 Yes

Is the corporation electing under regulation 1101(5q)?

Agence du revenu

du Canada

| 1                                |                                   | 2                                                                                                                                 | 3                                                                                                | 4                    | 5                                                                                               | 6                                                                                                                 | 7                                        | 8                | 9                                                                        | 10                                           | 11                                                                                                                               | 12                                                                                                                            |
|----------------------------------|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|----------------------|-------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|------------------------------------------|------------------|--------------------------------------------------------------------------|----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| Class<br>number<br>(See<br>Note) | Description                       | Undepreciated<br>capital cost at<br>the beginning<br>of the year<br>(undepreciated<br>capital cost at<br>the end of last<br>year) | Cost of<br>acquisitions<br>during the year<br>(new property<br>must be<br>available<br>for use)* | Net<br>adjustments** | Proceeds of<br>dispositions<br>during the year<br>(amount not to<br>exceed the<br>capital cost) | 50% rule (1/2<br>of the amount,<br>if any, by which<br>the net cost<br>of acquisitions<br>exceeds<br>column 5)*** | Reduced<br>undepreciated<br>capital cost | CCA<br>rate<br>% | Recapture of<br>capital cost<br>allowance<br>(line 107 of<br>Schedule 1) | Terminal loss<br>(line 404 of<br>Schedule 1) | Capital cost<br>allowance<br>(column 7<br>multiplied<br>by column 8;<br>or a lower<br>amount)<br>(line 403 of<br>Schedule 1)**** | Undepreciated<br>capital cost<br>at the end of<br>the year<br>(column 6<br><b>plus</b> column 7<br><b>minus</b><br>column 11) |
| 200                              |                                   | 201                                                                                                                               | 203                                                                                              | 205                  | 207                                                                                             | 211                                                                                                               |                                          | 212              | 213                                                                      | 215                                          | 217                                                                                                                              | 220                                                                                                                           |
| . 1                              | Équip distr. > 1987               | 190,338                                                                                                                           |                                                                                                  |                      | 0                                                                                               |                                                                                                                   | 190,338                                  | 4                | 0                                                                        | 0                                            | 7,614                                                                                                                            | 182,724                                                                                                                       |
| 2. 2                             | Équip Distr < 1988                | 199,359                                                                                                                           |                                                                                                  |                      | 0                                                                                               |                                                                                                                   | 199,359                                  | 6                | 0                                                                        | 0                                            | 11,962                                                                                                                           | 187,397                                                                                                                       |
| 8. 8                             | Équip de bureau                   | 1,848                                                                                                                             | 297                                                                                              |                      | 0                                                                                               | 149                                                                                                               | 1,996                                    | 20               | 0                                                                        | 0                                            | 399                                                                                                                              | 1,746                                                                                                                         |
| . 10                             | Ordinateur                        | 1,777                                                                                                                             |                                                                                                  |                      | 0                                                                                               |                                                                                                                   | 1,777                                    | 30               | 0                                                                        | 0                                            | 533                                                                                                                              | 1,244                                                                                                                         |
| 5. 12                            | Logiciels                         | 1,305                                                                                                                             | 2,046                                                                                            | 42,900               | 0                                                                                               | 1,023                                                                                                             | 45,228                                   | 100              | 0                                                                        | 0                                            | 45,228                                                                                                                           | 1,023                                                                                                                         |
| 6. 45                            | Équipements informatique          | 1,529                                                                                                                             |                                                                                                  |                      | 0                                                                                               |                                                                                                                   | 1,529                                    | 45               | 0                                                                        | 0                                            | 688                                                                                                                              | 841                                                                                                                           |
| . 50                             | Équipements informatiques > 18    | 3,607                                                                                                                             |                                                                                                  |                      | 0                                                                                               |                                                                                                                   | 3,607                                    | 55               | 0                                                                        | 0                                            | 1,984                                                                                                                            | 1,623                                                                                                                         |
| 8. 47                            | Équipement distribution           | 73,519                                                                                                                            | 265,969                                                                                          |                      | 0                                                                                               | 132,985                                                                                                           | 206,503                                  | 8                | 0                                                                        | 0                                            | 16,520                                                                                                                           | 322,968                                                                                                                       |
| . 12                             | Logiciels - Construction en cours | 42,900                                                                                                                            |                                                                                                  | -42,900              | 0                                                                                               |                                                                                                                   |                                          | 100              | 0                                                                        | 0                                            |                                                                                                                                  |                                                                                                                               |
| . 52                             | Ordinateurs                       |                                                                                                                                   | 1,050                                                                                            |                      | 0                                                                                               |                                                                                                                   | 1,050                                    | 100              | 0                                                                        | 0                                            | 1,050                                                                                                                            |                                                                                                                               |
|                                  | Total                             | 516,182                                                                                                                           | 269,362                                                                                          |                      |                                                                                                 | 134,157                                                                                                           | 651,387                                  |                  |                                                                          |                                              | 85,978                                                                                                                           | 699,566                                                                                                                       |

Note: Class numbers followed by a letter indicate the basic rate of the class taking into account the additional deduction allowed. Class 1a: 4% + 6% = 10% (class 1 to 10%), class 1b: 4% + 2% = 6% (class 1 to 6%).

\* 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).

\*\* Include amounts transferred under section 85, or on amalgamation and winding-up of a subsidiary. See the *T2 Corporation Income Tax Guide* for other examples of adjustments to include in column 4.

\*\*\* The net cost of acquisitions is the cost of acquisitions (column 3) plus or minus certain adjustments from column 4. For exceptions to the 50% rule, see Interpretation Bulletin IT-285, *Capital Cost Allowance – General Comments*.

\*\*\*\* If the tax year is shorter than 365 days, prorate the CCA claim. Some classes of property do not have to be prorated. See the *T2 Corporation Income Tax Guide* for more information.

T2 SCH 8 (06)



Canada Revenue Agence du revenu Agency du Canada

| HY   | DRO 2000 INC. |
|------|---------------|
| 8659 | 5 5397 RC0001 |

**SCHEDULE 10** 

2009-12-31

| Name of corporation | Business Number   | Tax year end<br>Year Month Day |
|---------------------|-------------------|--------------------------------|
| HYDRO 2000 INC.     | 86595 5397 RC0001 | 2009-12-31                     |

• 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                                                                                                             |                   |                |
|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|----------------|
| Cumulat    | ive eligible capital - Balance at the end of the preceding taxation year (if negative, enter "0")                                                                            | 200               | 2,057 A        |
| Add:       | Cost of eligible capital property acquired during the taxation year                                                                                                          |                   | <b>/</b>       |
|            | Other adjustments                                                                                                                                                            |                   |                |
|            | Subtotal (line 222 plus line 226) × 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 <b>228</b> × 1 / 2 =                                                                              | _ C               |                |
|            | amount B minus amount C (if negative, enter "0")                                                                                                                             | _▶                | D              |
|            | Amount transferred on amalgamation or wind-up of subsidiary                                                                                                                  |                   | E              |
|            | Subtotal (add amounts A, D, and E                                                                                                                                            | ) 230             | <u>2,057</u> F |
| Deduct:    | Proceeds of sale (less outlays and expenses not<br>otherwise deductible) from the disposition of all<br>eligible capital property during the taxation year                   |                   |                |
|            | The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7) 244 H                                                           |                   |                |
|            | debt obligation as provided for in subsection 80(7)       244       H         Other adjustments                                                                              | = 248             | J              |
| Cumulat    | ive eligible capital balance (amount F minus amount J)                                                                                                                       |                   | <u>2,057</u> K |
| (if amoun  | t K is negative, enter "0" at line M and proceed to Part 2)                                                                                                                  |                   |                |
|            | ve eligible capital for a property no longer owned after ceasing to carry on                                                                                                 |                   |                |
| that busir | ····                                                                                                                                                                         |                   |                |
|            | amount K 2,057                                                                                                                                                               |                   |                |
|            | less amount from line 249         2,057         x         7.00 %         =         250         14                                                                            | 1 +               |                |
| Current    |                                                                                                                                                                              | <u>4</u> *<br>4 ► |                |
|            | (····· - ··· p···· ···· -···) (····· ···· ···· ···· ··                                                                                                                       | = <u> </u>        | <u>144</u> L   |
|            | ive eligible capital – Closing balance (amount K minus amount L) (if negative, enter "0")                                                                                    | . 300             | <u>1,913</u> M |
|            | You can claim any amount up to the maximum deduction of 7%. The deduction may not exceed the n<br>amount prorated by the number of days in the taxation year divided by 365. | naximum           |                |



| Part 2 – Amount to be included in income arising from<br>(complete this part only if the amount at line K is nega                                                                                                               |        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| Amount from line K (show as positive amount)                                                                                                                                                                                    | N      |
| Total of cumulative eligible capital (CEC) deductions from income for taxation years         beginning after June 30, 1988                                                                                                      | 1      |
| Total of all amounts which reduced CEC in the current or prior years under         subsection 80(7)         401                                                                                                                 | 2      |
| Total of CEC deductions claimed for taxation years         beginning before July 1, 1988         3                                                                                                                              |        |
| Negative balances in the CEC account that were included<br>in income for taxation years beginning before July 1, 1988       408       4                                                                                         |        |
| Line 3 minus line 4 (if negative, enter "0")                                                                                                                                                                                    | 5      |
| Total of lines 1, 2 and 5                                                                                                                                                                                                       | 6      |
| Amounts included in income under paragraph 14(1)(b), as<br>that paragraph applied to taxation years ending after June<br>30, 1988 and before February 28, 2000, to the extent that<br>it is for an amount described at line 400 |        |
| Amounts at line T from Schedule 10 of previous taxation years         ending after February 27, 2000         8                                                                                                                  |        |
| Subtotal (line 7 plus line 8) 409                                                                                                                                                                                               | 9      |
| Line 6 minus line 9 (if negative, enter "0")                                                                                                                                                                                    | O<br>₽ |
| Line 5                                                                                                                                                                                                                          |        |
| Line P minus line Q (if negative, enter "0")                                                                                                                                                                                    | R      |
| Amount R                                                                                                                                                                                                                        |        |
| Amount N or amount O, whichever is less                                                                                                                                                                                         | т      |



**SCHEDULE 50** 

# SHAREHOLDER INFORMATION

2009-12-31

| Name of corporation | Business Number   | Tax year end<br>Year Month Day |
|---------------------|-------------------|--------------------------------|
| HYDRO 2000 INC.     | 86595 5397 RC0001 | 2009-12-31                     |

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 o                                                         | ne number per sha          | areholder    |                                |                                   |
|----|-------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|----------------------------|--------------|--------------------------------|-----------------------------------|
|    | Name of shareholder<br>(after name, indicate in brackets if the shareholder<br>is a corporation, partnership, individual, or trust) | Business Number<br>(If a corporation is not<br>registered, enter "NR") | Social insurance<br>number | Trust number | Percentage<br>common<br>shares | Percentage<br>preferred<br>shares |
|    | 100                                                                                                                                 | 200                                                                    | 300                        | 350          | 400                            | 500                               |
| 1  | MUNICIPALITÉ DU CANTON D'ALFRED ET PLANTAGENI                                                                                       | 89244 4779 RC0001                                                      |                            |              | 100.000                        |                                   |
| 2  |                                                                                                                                     |                                                                        |                            |              |                                |                                   |
| 3  |                                                                                                                                     |                                                                        |                            |              |                                |                                   |
| 4  |                                                                                                                                     |                                                                        |                            |              |                                |                                   |
| 5  |                                                                                                                                     |                                                                        |                            |              |                                |                                   |
| 6  |                                                                                                                                     |                                                                        |                            |              |                                |                                   |
| 7  |                                                                                                                                     |                                                                        |                            |              |                                |                                   |
| 8  |                                                                                                                                     |                                                                        |                            |              |                                |                                   |
| 9  |                                                                                                                                     |                                                                        |                            |              |                                |                                   |
| 10 |                                                                                                                                     |                                                                        |                            |              |                                |                                   |





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#### **SCHEDULE 500**

#### ONTARIO CORPORATION TAX CALCULATION

| Name of corporation | Business Number   | Tax year-end<br>Year Month Day |
|---------------------|-------------------|--------------------------------|
| HYDRO 2000 INC.     | 86595 5397 RC0001 | 2009-12-31                     |

• Use this schedule if the corporation had a permanent establishment (as defined in section 400 of the federal *Income Tax Regulations*) in Ontario at any time in the tax year and had Ontario taxable income in the year.

• References to subsections and paragraphs are from the federal Income Tax Act.

• This schedule is a worksheet only and does not have to be filed with your T2 Corporation Income Tax Return.

#### Part 1 – Calculation of Ontario basic rate of tax for the year -

| Number of days in the tax year<br>before July 1, 2010<br>Number of days in the tax year                          | <u> </u>      | x         | 14.00 %           | =      | 14.00000 %A1          |                      |
|------------------------------------------------------------------------------------------------------------------|---------------|-----------|-------------------|--------|-----------------------|----------------------|
| Number of days in the tax year after<br>June 30, 2010, and before July 1, 2011<br>Number of days in the tax year | 365           | x         | 12.00 %           | =      | %_A2                  |                      |
| Number of days in the tax year after<br>June 30, 2011, and before July 1, 2012<br>Number of days in the tax year | 365           | x         | 11.50 %           | =      | A3                    |                      |
| Number of days in the tax year after<br>June 30, 2012, and before July 1, 2013<br>Number of days in the tax year | 365           | x         | 11.00 %           | =      | A4                    |                      |
| Number of days in the tax year         after June 30, 2013         Number of days in the tax year                | 365           | x         | 10.00 %           | =      | A5                    |                      |
| Ontario basic rate                                                                                               | of tax for th | ne year ( | total of rates A1 | to A5) | <u>    14.00000</u> ► | <u>14.00000 %</u> A6 |

# Part 2 – Calculation of Ontario basic income tax Ontario taxable income \* 61,951 B Ontario basic income tax: amount B multiplied by Ontario basic rate of tax for the year (rate A6 from Part 1) 8,673 C If the corporation has a permanent establishment in more than one jurisdiction, or is claiming an Ontario tax credit, in addition to Ontario basic income tax, or has Ontario corporate minimum tax, Ontario special additional tax on life insurance corporations or Ontario capital tax payable, enter amount C on line 270 of Schedule 5, Tax Calculation Supplementary – Corporations. Otherwise, enter it on line 760 of the T2 return.

\* If the corporation has a permanent establishment only in Ontario, enter the amount from line 360 or line Z, whichever applies, of the T2 return. Otherwise, enter the taxable income allocated to Ontario from column F in Part 1 of Schedule 5.



| Part 3 – Ontario small business d<br>Complete this part if the corporation claimed the<br>have claimed it if subsection 125(5.1) had not be | federal small business d  | eduction u   | nder subsection ? | 125(1) or | would                                          |                     |
|---------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|--------------|-------------------|-----------|------------------------------------------------|---------------------|
| Income from active business carried on in Cana (amount from line 400 of the T2 return)                                                      |                           |              |                   |           |                                                | 61,951 1            |
| Federal taxable income, less adjustment for fore                                                                                            | ign tax credit            |              |                   |           |                                                | 61,951 2            |
| Federal business limit before the application of s                                                                                          |                           |              | 500,000           | × _       | <u>    500,000                            </u> | 500,000 3           |
|                                                                                                                                             |                           |              |                   |           | on page 4 of the T2 return                     | 61,951 <sub>D</sub> |
| Enter the least of amounts 1, 2, and 3                                                                                                      |                           |              |                   |           | · · · · · · · · · · · · · · · · · · ·          | <u> </u>            |
| Ontario domestic factor:                                                                                                                    | Ontario taxable incom     |              |                   |           | 951.00 =                                       | 1.00000 E           |
| taxable inco                                                                                                                                | me earned in all province | s and territ | ories **          | 6         | 1,951                                          |                     |
| Ontario small business income (amount D mult                                                                                                | iplied by amount E)       |              |                   |           |                                                | <u>61,951</u> F     |
| Number of days in the tax<br>before July 1, 2010                                                                                            |                           | x            | 8.50 %            | =         | 8.50000 % G1                                   |                     |
| Number of days in the tax                                                                                                                   |                           |              |                   | _         |                                                |                     |
| Number of days in the tax y<br>June 30, 2010, and before Ju                                                                                 |                           | x            | 7.50 %            | =         | % G2                                           |                     |
| Number of days in the tax                                                                                                                   |                           | -            |                   |           |                                                |                     |
| Number of days in the tax y<br>June 30, 2011, and before Ju                                                                                 |                           | x            | 7.00 %            | =         | <u>%</u> G3                                    |                     |
| Number of days in the tax                                                                                                                   | k year 365                |              |                   |           |                                                |                     |
| Number of days in the tax y<br>June 30, 2012, and before Ju                                                                                 |                           | X            | 6.50 %            | =         | G4                                             |                     |
| Number of days in the ta                                                                                                                    | k year 365                |              |                   |           |                                                |                     |
| Number of days in the tax<br>after June 30, 2013                                                                                            |                           | x            | 5.50 %            | =         | <u>%</u> G5                                    |                     |
| Number of days in the ta                                                                                                                    | k year 365                |              |                   |           |                                                |                     |
| OSBD rate for the year (total of rates G1 to G5)                                                                                            |                           |              |                   | ••••=     | <u>8.50000 %</u> G6                            |                     |
| Ontario small business deduction: amount F                                                                                                  | multiplied by OSBD rate   | e for the ye | ar (rate G6)      |           | ····· <u> </u>                                 | 5,266 н             |
| Enter amount H on line 402 of Schedule 5.                                                                                                   |                           |              |                   |           |                                                |                     |
| * Enter amount B from Part 2.<br>** Includes the offshore jurisdictions for Nova                                                            |                           |              |                   |           |                                                |                     |

#### Part 4 – Calculation of surtax re Ontario small business deduction -

Complete this part if the corporation is claiming the OSBD and its adjusted taxable income, **plus** the adjusted taxable income of each corporation with which the corporation was associated during its tax year, is greater than \$500,000. If the corporation is a member of an associated group, complete Schedule 501, Ontario Adjusted Taxable Income of Associated Corporations to Determine Surtax re Ontario Small Business Deduction.

Note: For days in the tax year after June 30, 2010, the small business surtax rate is 0%. You do not have to complete this part if the corporation's tax year begins after June 30, 2010.

| Adjusted taxable income *                                                                                                                                                                                                                                                                                                                                                                      |                 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| Adjusted taxable income of all associated corporations (amount from line 500 of Schedule 501) J                                                                                                                                                                                                                                                                                                |                 |
| Aggregate adjusted taxable income (amount I plus amount J)                                                                                                                                                                                                                                                                                                                                     | <u>61,951</u> к |
| Deduct:                                                                                                                                                                                                                                                                                                                                                                                        |                 |
| Ontario business limit                                                                                                                                                                                                                                                                                                                                                                         | 500,000         |
| Subtotal (amount K minus Ontario business limit) (if negative, enter "0" on this line and on line P)                                                                                                                                                                                                                                                                                           | L               |
| Small business surtax rate for the year:                                                                                                                                                                                                                                                                                                                                                       |                 |
| Number of days in the tax year before July 1, 2010365×4.25 %=4.25 %Number of days in the tax year365365                                                                                                                                                                                                                                                                                        |                 |
| Amount L x % on line M =                                                                                                                                                                                                                                                                                                                                                                       | N               |
| Amount N X Ontario small business income (amount F from Part 3) 61,951 =                                                                                                                                                                                                                                                                                                                       | 0               |
| 500,000 500,000                                                                                                                                                                                                                                                                                                                                                                                |                 |
| Surtax re Ontario small business deduction: lesser of amount O and OSBD (amount H from Part 3)                                                                                                                                                                                                                                                                                                 | P               |
| Enter amount P on line 272 of Schedule 5.                                                                                                                                                                                                                                                                                                                                                      |                 |
| * Adjusted taxable income is equal to the corporation's taxable income or taxable income earned in Canada for the year <b>plus</b> the amount of the corporation's adjusted Crown royalties for the year <b>minus</b> the amount of the corporation's notional resource allowance for the year (from Schedule 504, Ontario Resource Tax Credit and Ontario Additional Tax re Crown Royalties). |                 |
| If the tax year of the corporation is less than 51 weeks, <b>multiply</b> the adjusted taxable income of the corporation for the year by 365 and <b>divide</b> by the number of days in the tax year.                                                                                                                                                                                          |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                |                 |

#### - Part 5 – Ontario adjusted small business income -Complete this part if the corporation was a Canadian-controlled private corporation throughout the tax year and is claiming the Ontario tax credit for manufacturing and processing or the Ontario credit union tax reduction. 61,951 Q Amount D from Part 3 . . . . . . . . . . . Surtax payable (amount P from Part 4) R Ontario domestic factor (amount E from Part 3) x OSBD rate (rate G6 from Part 3) 8.50000 % 0.08500 Note: Enter "0" on line R for tax years beginning after June 30, 2010. 61,951 s Ontario adjusted small business income (amount Q minus amount R) (if negative, enter "0") Enter amount S on line U in Part 6 or on line B in Part 2 of Schedule 502, Ontario Tax Credit for Manufacturing and Processing, whichever applies.

| - Part 6 – Calculation of credit union tax reduction ————————————————————————————                                           |
|-----------------------------------------------------------------------------------------------------------------------------|
| Complete this part and Schedule 17, Credit Union Deductions, if the corporation was a credit union throughout the tax year. |
| Amount D from Part 3 of Schedule 17                                                                                         |
| Ontario adjusted small business income (amount S from Part 5)                                                               |
| Subtotal (amount T minus amount U) (if negative, enter "0")                                                                 |
| OSBD rate for the year (rate G6 from Part 3)                                                                                |
| Amount V multiplied by the OSBD rate for the year                                                                           |
| Ontario domestic factor (amount E from Part 3)                                                                              |
| Ontario credit union tax reduction (amount W multiplied by amount X)                                                        |
| Enter amount Y on line 410 of Schedule 5.                                                                                   |
|                                                                                                                             |



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#### SCHEDULE 510

## **ONTARIO CORPORATE MINIMUM TAX**

| Name of corporation | Business Number   | Tax year-end<br>Year Month Day |
|---------------------|-------------------|--------------------------------|
| HYDRO 2000 INC.     | 86595 5397 RC0001 | 2009-12-31                     |

File this schedule if the corporation is subject to Ontario corporate minimum tax (CMT). CMT is levied under section 55 of the Taxation Act, 2007 (Ontario), referred to as the "Ontario Act".

- Complete Part 1 to determine if the corporation is subject to CMT for the tax year.
- A corporation not subject to CMT in the tax year is still required to file this schedule if it is deducting a CMT credit, has a CMT credit carryforward, or has a CMT loss carryforward or a current year CMT loss.
- A corporation that has Ontario special additional tax on life insurance corporations (SAT) payable in the tax year must complete Part 4 of this schedule even if it is not subject to CMT for the tax year.
- A corporation is exempt from CMT if, throughout the tax year, it was one of the following:
  - 1) a corporation exempt from income tax under section 149 of the federal Income Tax Act;
  - 2) a mortgage investment corporation under subsection 130.1(6) of the federal Act;
  - 3) a deposit insurance corporation under subsection 137.1(5) of the federal Act;
  - 4) a congregation or business agency to which section 143 of the federal Act applies;
  - 5) an investment corporation as referred to in subsection 130(3) of the federal Act; or
  - 6) a mutual fund corporation under subsection 131(8) of the federal Act.
- File this schedule with the T2 Corporation Income Tax Return.

#### Part 1 – Determination of CMT applicability -

| Total assets of the corporation at the end of the tax year *                    | 1,446,181 |
|---------------------------------------------------------------------------------|-----------|
| Share of total assets from partnership(s) and joint venture(s) *                |           |
| Total assets of associated corporations (amount from line 450 on Schedule 511)  |           |
| Total assets (total of lines 112 to 116)                                        | 1,446,181 |
| Total revenue of the corporation for the tax year ** 142                        | 2,455,072 |
| Share of total revenue from partnership(s) and joint venture(s) **              |           |
| Total revenue of associated corporations (amount from line 550 on Schedule 511) |           |
| Total revenue (total of lines 142 to 146)                                       | 2,455,072 |

The corporation is subject to CMT if:

- for tax years ending before July 1, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are more than \$5,000,000, or the total revenue for the year of the corporation or the associated group of corporations is more than \$10,000,000.
- for tax years ending after June 30, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are equal to or more than \$50,000,000, and the total revenue for the year of the corporation or the associated group of corporations is equal to or more than \$100,000,000.
   If the corporation is not subject to CMT, do not complete the remaining parts unless the corporation is deducting a CMT credit, or has a CMT credit carryforward, a CMT loss carryforward, a current year CMT loss, or SAT payable in the year.

#### \* Rules for total assets

- Report total assets according to generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- Do not include unrealized gains and losses on assets and foreign currency gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.
- The amount on line 114 is determined at the end of the last fiscal period of the partnership or joint venture that ends in the tax year of the corporation. Add the proportionate share of the assets of the partnership(s) and joint venture(s), and deduct the recorded asset(s) for the investment in partnerships and joint ventures.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were \$1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.

#### \*\* Rules for total revenue

- Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- If the tax year is less than 51 weeks, multiply the total revenue of the corporation or the partnership, whichever applies, by 365 and divide by the number of days in the tax year.
- The amount on line 144 is determined for the partnership or joint venture fiscal period that ends in the tax year of the corporation. If the partnership or joint venture has 2 or more fiscal periods ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were \$1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.

| - Part 2 – Calculation of adjusted net income/loss fo                                                                                                                                                                  | r CMT purposes ———                                                                |                                                                             |           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------|-----------|
| Net income/loss per financial statements *                                                                                                                                                                             |                                                                                   |                                                                             | 14,579    |
| Add (to the extent reflected in income/loss):                                                                                                                                                                          |                                                                                   |                                                                             |           |
| Provision for current income taxes/cost of current income taxes                                                                                                                                                        |                                                                                   | 10,221                                                                      |           |
| Provision for deferred income taxes (debits)/cost of future income taxes                                                                                                                                               | <b>222</b>                                                                        |                                                                             |           |
| Equity losses from corporations                                                                                                                                                                                        |                                                                                   |                                                                             |           |
| Financial statement loss from partnerships and joint ventures<br>Dividends deducted on financial statements (subsection 57(2) of the Ont<br>excluding dividends paid by credit unions under subsection 137(4.1) of the |                                                                                   |                                                                             |           |
| Other additions (see note below):                                                                                                                                                                                      |                                                                                   |                                                                             |           |
| Share of adjusted net income of partnerships and joint ventures $^{\ast\ast}$                                                                                                                                          |                                                                                   |                                                                             |           |
| Total patronage dividends received, not already included in net income/log                                                                                                                                             | ss 232                                                                            |                                                                             |           |
| 281                                                                                                                                                                                                                    | 282                                                                               |                                                                             |           |
| 283                                                                                                                                                                                                                    | 284                                                                               |                                                                             |           |
|                                                                                                                                                                                                                        | Subtotal                                                                          | 10,221                                                                      | 10,221_A  |
| Deduct (to the extent reflected in income/loss):                                                                                                                                                                       |                                                                                   |                                                                             |           |
| Provision for recovery of current income taxes/benefit of current income t                                                                                                                                             |                                                                                   |                                                                             |           |
| Provision for deferred income taxes (credits)/benefit of future income taxe                                                                                                                                            |                                                                                   | 7,410                                                                       |           |
| Equity income from corporations                                                                                                                                                                                        |                                                                                   |                                                                             |           |
| Financial statement income from partnerships and joint ventures                                                                                                                                                        |                                                                                   |                                                                             |           |
| Dividends deductible under section 112, section 113, or subsection 138(                                                                                                                                                |                                                                                   |                                                                             |           |
| Dividends not taxable under section 83 of the federal Act (from Schedule                                                                                                                                               |                                                                                   |                                                                             |           |
| Gain on donation of listed security or ecological gift                                                                                                                                                                 | 0.10                                                                              |                                                                             |           |
| Accounting gain on transfer of property to/from a partnership under section of the federal Act ****                                                                                                                    | on 85 or 97                                                                       |                                                                             |           |
| Accounting gain on disposition of property under subsection 13(4), subsection 14(6), or section 44 of the federal Act *****                                                                                            |                                                                                   |                                                                             |           |
| Accounting gain on a windup under subsection 88(1) of the federal Act<br>or an amalgamation under section 87 of the federal Act                                                                                        |                                                                                   |                                                                             |           |
| Other deductions (see note below):                                                                                                                                                                                     |                                                                                   |                                                                             |           |
| Share of adjusted net loss of partnerships and joint ventures $^{\star\star}$ $$                                                                                                                                       |                                                                                   |                                                                             |           |
| Tax payable on dividends under subsection 191.1(1) of the federal Act m<br>Interest deducted/deductible under paragraph 20(1)(c) or (d) of the federal<br>not already included in net income/loss                      | al Act,                                                                           |                                                                             |           |
| Patronage dividends paid (from Schedule 16) not already included in net                                                                                                                                                | income/loss 338                                                                   |                                                                             |           |
| 381                                                                                                                                                                                                                    |                                                                                   |                                                                             |           |
| 383                                                                                                                                                                                                                    |                                                                                   |                                                                             |           |
| 385                                                                                                                                                                                                                    |                                                                                   |                                                                             |           |
| 387                                                                                                                                                                                                                    |                                                                                   |                                                                             |           |
| 389                                                                                                                                                                                                                    |                                                                                   |                                                                             |           |
|                                                                                                                                                                                                                        | Subtotal                                                                          | 7,410 ►                                                                     | 7,410 в   |
| Adjusted net income/loss for CMT purposes (line 210 plus amount A mi                                                                                                                                                   | i <b>nus</b> amount B)                                                            |                                                                             | 17,390    |
| If the amount on line 490 is positive and the corporation is subject to CM                                                                                                                                             | T as determined in Part 1 enter the a                                             | mount on line 515 in Part 3                                                 |           |
| If the amount on line 490 is negative, enter the amount on line 760 in Par                                                                                                                                             |                                                                                   |                                                                             |           |
| Note                                                                                                                                                                                                                   |                                                                                   |                                                                             |           |
| In accordance with Ontario Regulation 37/09, when calculating net incom                                                                                                                                                | ne for CMT purposes accounting inco                                               | ome should be adjusted to:                                                  |           |
| <ul> <li>exclude unrealized gains and losses due to mark-to-market changes of include realized gains and losses on the disposition of specified mark</li> </ul>                                                        | or foreign currency changes on specific-<br>to-market property not already includ | fied mark-to-market property (assets of ed in the accounting income, if the | only);    |
| property is not a capital property or is a capital property disposed in th                                                                                                                                             |                                                                                   |                                                                             |           |
| "Specified mark-to-market property" is defined in subsection 54(1) of the<br>These rules also apply to partnerships. A corporate partner's share of a p<br>to the corporate partner.                                   |                                                                                   | nrough on a proportionate basis                                             |           |
| * Rules for net income/loss                                                                                                                                                                                            |                                                                                   |                                                                             |           |
| <ul> <li>Banks must report net income/loss as per the report accepted by<br/>consolidation and equity methods are not used.</li> </ul>                                                                                 | the Superintendent of Financial Instit                                            | utions under the federal Bank Act, ad                                       | justed so |

# Part 2 – Calculation of adjusted net income/loss for CMT purposes (continued).

- Life insurance corporations must report net income/loss as per the report accepted by the federal Superintendent of Financial Institutions or equivalent provincial insurance regulator, before SAT and adjusted so consolidation and equity methods are not used. If the life insurance corporation is resident in Canada and carries on business in and outside of Canada, **multiply** the net income/loss by the ratio of the Canadian reserve liabilities **divided** by the total reserve liability. The reserve liabilities are calculated in accordance with Regulation 2405(3) of the federal Act.
- Other corporations must report net income/loss in accordance with generally accepted accounting principles, except that consolidation and equity methods must not be used. When the equity method has been used for accounting purposes, equity losses and equity income are removed from book income/loss on lines 224 and 324 respectively.
- Corporations, other than insurance corporations, should report net income from line 9999 of the GIFI (Schedule 125) on line 210.
- \*\* The share of the adjusted net income of a partnership or joint venture is calculated as if the partnership or joint venture were a corporation and the tax year of the partnership or joint venture were its fiscal period. For a corporation with an indirect interest in a partnership through one or more partnerships, determine the corporation's share according to clause 54(5)(c) of the Ontario Act.
- \*\*\* A joint election will be considered made under subsection 60(1) of the Ontario Act if there is an entry on line 342, and an election has been made for transfer of property to a corporation under subsection 85(1) of the federal Act.
- \*\*\*\* A joint election will be considered made under subsection 60(2) of the Ontario Act if there is an entry on line 344, and an election has been made under subsection 85(2) or 97(2) of the federal Act.
- \*\*\*\*\* A joint election will be considered made under subsection 61(1) of the Ontario Act if there is an entry on line 346, and an election has been made under subsection 13(4) or 14(6) and/or section 44 of the federal Act.

For more information on how to complete this part, see the T2 Corporation - Income Tax Guide.

#### Part 3 – Calculation of CMT payable

| Adjusted net income for CMT purposes                                                                                                                                                                                                                                                                                                                                                                                                                          | (line 490 in Part 2, if positive)                                                                                                                                                                                                                               |                                                                       | 515                                                |                                        |                  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|----------------------------------------------------|----------------------------------------|------------------|
| Deduct:                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                 |                                                                       |                                                    |                                        |                  |
| CMT loss available (amount R from Part                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                 | 16,0                                                                  | 525                                                |                                        |                  |
| Minus: Adjustment for an acquisition of                                                                                                                                                                                                                                                                                                                                                                                                                       | control * 518                                                                                                                                                                                                                                                   | 1.5                                                                   |                                                    | 10.005                                 |                  |
| Adjusted CMT loss available                                                                                                                                                                                                                                                                                                                                                                                                                                   | · · · · · · · · · · · · · · · · · · ·                                                                                                                                                                                                                           | 16,0                                                                  | <u>525</u> ►                                       | 16,625 c                               |                  |
| Net income subject to CMT calculation (                                                                                                                                                                                                                                                                                                                                                                                                                       | f negative, enter "0")                                                                                                                                                                                                                                          |                                                                       | 520                                                |                                        |                  |
| Amount from line 520                                                                                                                                                                                                                                                                                                                                                                                                                                          | Number of days in the tax<br>year before July 1, 2010<br>Number of days<br>in the tax year                                                                                                                                                                      | <u>365</u> ×<br>365                                                   | 4 % =                                              | 1                                      |                  |
| Amount from line 520                                                                                                                                                                                                                                                                                                                                                                                                                                          | Number of days in the tax<br><u>year after June 30, 2010</u><br>Number of days<br>in the tax year                                                                                                                                                               | ×<br>365                                                              | 2.7 % =                                            | 2                                      |                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Subtotal (amount 1 <b>plus</b> amou                                                                                                                                                                                                                             | nt 2)                                                                 | <u></u>                                            | 3                                      |                  |
| Gross CMT: amount on line 3 above x O<br>Deduct:<br>Foreign tax credit for CMT purposes ***<br>CMT after foreign tax credit deduction (li<br>Deduct:<br>Ontario corporate income tax payable be<br>Net CMT payable (if negative, enter "0")<br>Enter amount E on line 278 of Schedule<br>* Enter the portion of CMT loss availa<br>control. See subsection 58(3) of the<br>*** Enter "0" on line 550 for life insuran<br>of amount J for the province of Onta | ne 540 <b>minus</b> line 550) (if negative<br>fore CMT credit (amount F6 from<br>5, <i>Tax Calculation Supplementar</i><br>able that exceeds the adjusted net<br>be Ontario Act.<br>Ince corporations as they are not ell<br>ario from Part 9 of Schedule 21 or | ve, enter "0")<br>Schedule 5)<br>y - Corporations<br>income for the t | s, and complete Part 4.<br>ax year from carrying c | 550                                    |                  |
| ** Calculation of the Ontario allocat<br>If the provincial or territorial jurisdiction<br>If the provincial or territorial jurisdiction<br>Ontario taxable income *****<br>Taxable income *****                                                                                                                                                                                                                                                               | entered on line 750 of the T2 return<br>entered on line 750 of the T2 return<br>=                                                                                                                                                                               | urn is "multiple,"                                                    | complete the following                             |                                        |                  |
| Ontario allocation factor                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                 |                                                                       |                                                    |                                        | <u>1.00000</u> F |
| **** Enter the amount allocated to Ontar taxable income were \$1,000.                                                                                                                                                                                                                                                                                                                                                                                         | io from column F in Part 1 of Sch                                                                                                                                                                                                                               | edule 5. If the ta                                                    | xable income is nil, cal                           | culate the amount in column F as if th | ıe               |
| ***** Enter the taxable income amount from                                                                                                                                                                                                                                                                                                                                                                                                                    | om line 360 or amount Z of the T2                                                                                                                                                                                                                               | ereturn, whichev                                                      | er applies. If the taxabl                          | e income is nil, enter "1,000."        |                  |

| Part 4 – Calculation of CMT credit carryforward —                                                                                                                                                                                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CMT credit carryforward at the end of the previous tax year *                                                                                                                                                                        |
| CMT credit expired *                                                                                                                                                                                                                 |
| CMT credit carryforward at the beginning of the current tax year * (see note below)                                                                                                                                                  |
| Add:                                                                                                                                                                                                                                 |
| CMT credit carryforward balances transferred on an amalgamation or the windup of a subsidiary (see note below)                                                                                                                       |
| CMT credit available for the tax year (amount on line 620 <b>plus</b> amount on line 650)                                                                                                                                            |
| CMT credit deducted in the current tax year (amount P from Part 5)                                                                                                                                                                   |
| Subtotal (amount H minus amount I)                                                                                                                                                                                                   |
| Add:                                                                                                                                                                                                                                 |
| Net CMT payable (amount E from Part 3)                                                                                                                                                                                               |
| SAT payable (amount O from Part 6 of Schedule 512)                                                                                                                                                                                   |
| Subtotal K                                                                                                                                                                                                                           |
| CMT credit carryforward at the end of the tax year (amount J plus amount K) L                                                                                                                                                        |
|                                                                                                                                                                                                                                      |
| <ul> <li>* For the first harmonized T2 return filed with a tax year that includes days in 2009:</li> <li>do not enter an amount on line G or line 600;</li> </ul>                                                                    |
| <ul> <li>– do not enter an amount on line G of line 600,</li> <li>– for line 620, enter the amount from line 2336 of Ontario CT23 Schedule 101, Corporate Minimum Tax (CMT), for the last tax year that ended in 2008.</li> </ul>    |
| For other tax years, enter on line G the amount from line 670 of Schedule 510 from the previous tax year.                                                                                                                            |
| Note: If you entered an amount on line 620 or line 650, complete Part 6.                                                                                                                                                             |
|                                                                                                                                                                                                                                      |
| ─ Part 5 – Calculation of CMT credit deducted from Ontario corporate income tax payable ————————————                                                                                                                                 |
| CMT credit available for the tax year (amount H from Part 4)                                                                                                                                                                         |
| Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5) 3,407 1                                                                                                                                           |
|                                                                                                                                                                                                                                      |
| For a corporation that is not a life insurance corporation:                                                                                                                                                                          |
| CMT after foreign tax credit deduction (amount D from Part 3) 2                                                                                                                                                                      |
| For a life insurance corporation:                                                                                                                                                                                                    |
| Gross CMT (line 540 from Part 3)                                                                                                                                                                                                     |
| Gross SAT (line 460 from Part 6 of Schedule 512) 4                                                                                                                                                                                   |
| The greater of amounts 3 and 4                                                                                                                                                                                                       |
| Subtotal (if negative, enter "0")3,407 ►3,407 N                                                                                                                                                                                      |
|                                                                                                                                                                                                                                      |
| Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)                                                                                                                                                   |
| Total refundable tax credits excluding Ontario qualifying environmental trust tax credit                                                                                                                                             |
| (amount J6 minus line 450 from Schedule 5)                                                                                                                                                                                           |
| Subtotal (if negative, enter "0")3,407 ►3,407 O                                                                                                                                                                                      |
| CMT credit deducted in the current tax year (least of amounts M, N, and O)                                                                                                                                                           |
| Enter amount P on line 418 of Schedule 5 and on line I in Part 4 of this schedule.                                                                                                                                                   |
| Is the corporation claiming a CMT credit earned before an acquisition of control?                                                                                                                                                    |
| If you answered <b>yes</b> to the question at line 675, the CMT credit deducted in the current tax year may be restricted. For information on how the deduction may be restricted, see subsections 53(6) and (7) of the Ontario Act. |

# ┌ Part 6 – Analysis of CMT credit available for carryforward by year of origin —

Complete this part if:

- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

| Year of origin            | CMT credit balance * |
|---------------------------|----------------------|
| 10th previous<br>tax year | 680                  |
| 9th previous<br>tax year  | 681                  |
| 8th previous<br>tax year  | 682                  |
| 7th previous<br>tax year  | 683                  |
| 6th previous<br>tax year  | 684                  |
| 5th previous<br>tax year  | 685                  |
| 4th previous<br>tax year  | 686                  |
| 3rd previous<br>tax year  | 687                  |
| 2nd previous<br>tax year  | 688                  |
| 1st previous<br>tax year  | 689                  |
| Total **                  |                      |

\* CMT credit that was earned (by the corporation, predecessors of the corporation, and subsidiaries wound up into the corporation) in each of the previous 10 tax years and has not been deducted.

\*\* Must equal the total of the amounts entered on lines 620 and 650 in Part 4.

| – Part 7 – Calcul                                  | ation of CMT los             | s carryforward ——                                                                 |                              |                          |                          |                 |
|----------------------------------------------------|------------------------------|-----------------------------------------------------------------------------------|------------------------------|--------------------------|--------------------------|-----------------|
| CMT loss carryforwar                               |                              | ous tax year *                                                                    |                              |                          | Q                        |                 |
| Deduct:                                            |                              |                                                                                   | -                            | /00                      |                          |                 |
| CMT loss expired *<br>CMT loss carryforwar<br>Add: |                              | e tax year * (see note below)                                                     |                              |                          | 625 <b>► 720</b>         | 16,625          |
| CMT loss transferred                               | on an amalgamation un        | der section 87 of the federal A                                                   | ct ** (see note below)       |                          | 750                      |                 |
| CMT loss available (li                             | ne 720 <b>plus</b> line 750) |                                                                                   |                              |                          |                          | <u>16,625</u> R |
| Deduct:                                            |                              |                                                                                   |                              |                          |                          |                 |
| CMT loss deducted a                                | gainst adjusted net inco     | me for the tax year (lesser of li                                                 | ne 490 (if positive) and lir | ne C in Part 3)          | · · · · · · · · · ·      | 16,625          |
|                                                    |                              |                                                                                   |                              | Subtotal (if negati      | ive, enter "0")          | S               |
| Add:                                               |                              |                                                                                   |                              |                          |                          |                 |
| Adjusted net loss for (                            | CMT purposes (amount         | from line 490 in Part 2, if <b>nega</b><br>the tax year (amount S <b>plus</b> lin | ative) (enter as a positive  | e amount)                | 760                      |                 |
| CMT loss carryforwar                               | d balance at the end of      | the tax year (amount S <b>plus</b> lin                                            | ie 760)                      |                          | 770                      | т               |
| - do not enter                                     | an amount on line Q or l     | rith a tax year that includes day<br>ine 700;<br>ne 2214 of Ontario CT23 Sche     |                              | nimum Tax (CMT), for the | e last tax vear that end | ded in 2008.    |
| -                                                  |                              | mount from line 770 of Schedu                                                     |                              |                          | ,                        |                 |
| ** Do not transfer a                               | loss on a vertical amalg     | amation under subsection 87(<br>20 or line 750, complete Part 8                   | 2.11) of the federal Act o   |                          | a parent and its subsid  | diary.          |
|                                                    |                              |                                                                                   |                              |                          |                          |                 |

# Part 8 – Analysis of CMT loss available for carryforward by year of origin -

Complete this part if:

- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

| Year of origin            | Balance earned in a tax year ending<br>before March 23, 2007 * | Balance earned in a tax year ending<br>after March 22, 2007 ** |
|---------------------------|----------------------------------------------------------------|----------------------------------------------------------------|
| 10th previous<br>tax year | 810                                                            | 820                                                            |
| 9th previous<br>tax year  | 811                                                            | 821                                                            |
| 8th previous<br>tax year  | 812                                                            | 822                                                            |
| 7th previous tax year     | 813                                                            | 823                                                            |
| 6th previous<br>tax year  | 814                                                            | 824                                                            |
| 5th previous<br>tax year  | 815                                                            | 825                                                            |
| 4th previous tax year     | <b>816</b> 6,140                                               | 826                                                            |
| 3rd previous tax year     | 817                                                            | 827                                                            |
| 2nd previous<br>tax year  | 818                                                            | <b>828</b> 8,241                                               |
| 1st previous<br>tax year  |                                                                | <b>829</b> 2,244                                               |
| Total ***                 | 6,140                                                          | 10,485                                                         |

\* Adjusted net loss for CMT purposes that was earned (by the corporation, by subsidiaries wound up into or amalgamated with the corporation before March 22, 2007, and by other predecessors of the corporation) in each of the previous 10 tax years that ended before March 23, 2007, and has not been deducted.

\*\* Adjusted net loss for CMT purposes that was earned (by the corporation and its predecessors, but not by a subsidiary predecessor) in each of the previous 20 tax years that ended after March 22, 2007, and has not been deducted.

\*\*\* The total of these two columns must equal the total of the amounts entered on lines 720 and 750.



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#### **SCHEDULE 524**

#### **ONTARIO SPECIALTY TYPES**

| Name of corporation | Business Number   | Tax year-end<br>Year Month Day |
|---------------------|-------------------|--------------------------------|
| HYDRO 2000 INC.     | 86595 5397 RC0001 | 2009-12-31                     |

• Use this schedule to identify the specialty type of a corporation carrying on business in the province of Ontario through a permanent establishment if:

- its tax year includes January 1, 2009;
- the tax year is the first year after incorporation or an amalgamation; or
- there is a change to the specialty type.
- If none of the listed specialty types applies, tick box 99 "Other."
- Unless otherwise noted, references to sections, subsections, and clauses are from the Taxation Act, 2007 (Ontario).

# Specialty types -

| 100 | Identify the specialty type that applies to your corporation | ation: |
|-----|--------------------------------------------------------------|--------|
|     |                                                              |        |

- \_\_\_\_\_ 01 Family farm corporation See subsection 64(3).
- 02 Family fishing corporation See subsection 64(3).
- 03 Mortgage investment corporation See subsection 130.1(6) of the federal Income Tax Act.
- 04 Credit union See subsection 137(6) of the federal Act.
- 06 Bank See subsection 248(1) of the federal Act.
- 08 Financial institution prescribed by regulation only See clause 66(2)(f).
- 09 Registered securities dealer See subsection 248(1) of the federal Act.
- 10 Farm feeder finance co-operative corporation
- 11 Insurance corporation See subsection 248(1) of the federal Act.
- 12 Mutual insurance See subsection 27(2) of the *Taxation Act, 2007* (Ontario) and paragraph 149(1)(m) of the federal Act.
- 13 Specialty mutual insurance
- 14 Mutual fund corporation See subsection 131(8) of the federal Act.
- 15 Bare trustee corporation
- 16 Professional corporation (incorporated professional only) See subsection 248(1) of the federal Act.
- 17 Limited liability corporation
- 18 Generator of electrical energy for sale, or producer of steam for use in the generation of electrical energy for sale See subsection 33(7).
- X 19 Hydro successor, municipal electrical utility, or subsidiary of either See subsection 91.1(1) and section 88 of the Electricity Act, 1998 (Ontario).
  - 20 Producer and seller of steam for uses other than for the generation of electricity See subsection 33(7).
  - 21 Mining corporation
  - 22 Non-resident corporation
  - 99 Other (if none of the previous descriptions apply)

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#### **SCHEDULE 546**

#### CORPORATIONS INFORMATION ACT ANNUAL RETURN FOR ONTARIO CORPORATIONS

| Name of corporation | Business Number   | Tax year-end<br>Year Month Day |
|---------------------|-------------------|--------------------------------|
| HYDRO 2000 INC.     | 86595 5397 RC0001 | 2009-12-31                     |

- This schedule should be completed by a corporation that is incorporated, continued, or amalgamated in Ontario and subject to the Ontario Business Corporations Act (BCA) or Ontario Corporations Act (CA), except for registered charities under the federal Income Tax Act. This completed schedule serves as a Corporations Information Act Annual Return under the Ontario Corporations Information Act.
- Complete parts 1 to 4. Complete parts 5 to 7 only to report change(s) in the information recorded on the Ontario Ministry of Government Services (MGS) public record.
- This schedule must set out the required information for the corporation as of the date of delivery of this schedule.
- A completed Ontario Corporations Information Act Annual Return must be delivered within six months after the end of the corporation's tax year-end. The MGS considers this return to be delivered on the date that it is filed with the Canada Revenue Agency (CRA) together with the corporation's income tax return
- It is the corporation's responsibility to ensure that the information shown on the MGS public record is accurate and up-to-date. To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. Visit www.ServiceOntario.ca for more information.
- This schedule contains non-tax information collected under the authority of the Ontario Corporations Information Act. This information will be sent to the MGS for the purposes of recording the information on the public record maintained by the MGS.

| - Part 1 - Identification                             |                                     |                |                             |
|-------------------------------------------------------|-------------------------------------|----------------|-----------------------------|
|                                                       |                                     |                |                             |
| 100 Corporation's name (exactly as shown on the MGS p | public record)                      |                |                             |
| HYDRO 2000 INC.                                       |                                     |                |                             |
| Jurisdiction incorporated, continued, or amalgamated, | <b>110</b> Date of incorporation or |                | 120 Ontario Corporation No. |
| whichever is the most recent                          | amalgamation, whichever is the      | Year Month Day |                             |
| Ontario                                               | most recent                         | 2000-09-29     | 1427551                     |

#### - Part 2 - Head or registered office address (P.O. box not acceptable as stand-alone address) -

| 0 Care of (if applicable)                                                               |                                                                                                                    |                           |                                                 |
|-----------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|---------------------------|-------------------------------------------------|
| O         Street number         220         Street name           265         rue St-Ph | Rural route/Lot and Concession number ilippe                                                                       | 230 Suite nur             | nber                                            |
| 0 Additional address information if appli                                               | cable (line 220 must be completed first)                                                                           |                           |                                                 |
| Municipality (e.g., city, town)<br>Alfred                                               | 260 Province/state<br>ON                                                                                           | 270 Country<br>CA         | 280 Postal/zip code<br>K0B 1A0                  |
| Part 3 – Change identifier ——                                                           |                                                                                                                    |                           |                                                 |
| If there are changes, enter 2 i                                                         | s, enter <b>1</b> in this box and then go to "Part 4 – Certi<br>n this box and complete the applicable parts on th |                           | to "Part 4 – Certification."                    |
| Part 4 – Certification<br>certify that all information given in this Cor                | porations Information Act Annual Return is true, c                                                                 | orrect, and complete.     |                                                 |
| 450 BEAULNE                                                                             | 451 RENÉ                                                                                                           | , I                       |                                                 |
| Last name                                                                               | 3                                                                                                                  | First name                |                                                 |
| 454 Middle name(s)                                                                      | ,                                                                                                                  |                           |                                                 |
|                                                                                         | ing numbers in this box for the above-named pers<br>e corporation. If you are a director and officer, ente         |                           | fficer, or <b>3</b> for other individual having |
| Note: Sections 13 and 14 of the Ontario Co                                              | rporations Information Act provide penalties for m                                                                 | aking false or misleading | statements or omissions.                        |

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| 3 - The corporation's complete mailing address is as follows:          10       Care of (if applicable)         20       Street number       530         50       Additional address information if applicable (line 530 must be completed first)   | 00 | 2 Please enter one of the following numbers in this box:       | <ol> <li>Show no mailing a</li> <li>The corporation's registered office ad</li> </ol> | mailing ad | dress is the sa | me as the head or   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|----------------------------------------------------------------|---------------------------------------------------------------------------------------|------------|-----------------|---------------------|
| 20       Street number       530       Street name/Rural route/Lot and Concession number       540       Suite number         50       Additional address information if applicable (line 530 must be completed first)       540       Suite number |    |                                                                | 3 - The corporation's                                                                 | complete r | mailing address | is as follows:      |
| 50 Additional address information if applicable (line 530 must be completed first)                                                                                                                                                                  | 0  | Care of (if applicable)                                        |                                                                                       |            |                 |                     |
|                                                                                                                                                                                                                                                     | 20 | Street number 530 Street name/Rural route/Lot and Co           | ncession number                                                                       |            | 540 Suiter      | number              |
|                                                                                                                                                                                                                                                     | 50 | Additional address information if applicable (line 530 must be | e completed first)                                                                    |            |                 |                     |
| 60Municipality (e.g., city, town)570Province/state580Country590Postal/zip code                                                                                                                                                                      | 60 | Municipality (e.g., city, town) 5                              | 70 Province/state                                                                     | 580        | Country         | 590 Postal/zip code |

# **Corporate Taxpayer Summary**

| □ Corporate information ———                                 |                  |                  |                |               |                |                 |             |             |             |           |         |
|-------------------------------------------------------------|------------------|------------------|----------------|---------------|----------------|-----------------|-------------|-------------|-------------|-----------|---------|
| Corporation's name                                          | HYDRO 2          | 000 INC.         |                |               |                |                 |             |             |             |           |         |
| Taxation Year                                               | 2009-01-         | 01_to_2009       | 9-12-31        |               |                |                 |             |             |             |           |         |
| Jurisdiction                                                | Ontario          |                  |                |               |                |                 |             |             |             |           |         |
| BC AB SK MB                                                 | ON               | QC NB            | NS             | NO            | PE             | NL              | XO          | YT          | NT          | NU        | OC      |
|                                                             | X                |                  |                |               |                |                 |             |             |             |           |         |
| Corporation is associated                                   | <u>N</u>         |                  |                |               |                |                 |             |             |             |           |         |
| Corporation is related                                      | <u>N</u>         |                  |                |               |                |                 |             |             |             |           |         |
| Number of associated corporations                           |                  |                  |                |               |                |                 |             |             |             |           |         |
| Type of corporation                                         | Canadian         | -Controlled Priv | ate Corp       | oration       |                |                 |             |             |             |           |         |
| Total amount due (refund) federal and provincial*           |                  | -13,779          |                |               |                |                 |             |             |             |           |         |
| * The amounts displayed on lines "Total a                   |                  |                  | provincial"    | are all liste | ed in the he   | elp. Press      | F1 to consi | ult the con | text-sensat | ive help. |         |
| $_{ar{}}$ Summary of federal informat                       | ion ——           |                  |                |               |                |                 |             |             |             |           |         |
| Net income                                                  |                  |                  |                |               |                |                 |             |             | · · ·       |           | 61,951  |
| Taxable income                                              |                  |                  |                |               |                |                 |             |             | · · · ·     |           | 61,951  |
| Donations                                                   |                  |                  |                |               |                |                 |             |             | · · ·       |           |         |
| Calculation of income from an active busir                  | less carried o   | n in Canada      |                |               |                |                 |             |             | · · ·       |           | 61,951  |
| Dividends paid                                              |                  |                  |                |               |                |                 |             |             | · · ·       |           |         |
|                                                             |                  |                  |                |               |                |                 |             |             |             |           |         |
| Dividends paid – Eligible                                   |                  |                  |                |               |                |                 | •           |             |             |           |         |
| Balance of the low rate income pool at the                  | end of the pre   | evious year      |                |               |                |                 |             |             | · · ·       |           |         |
| Balance of the low rate income pool at the                  | end of the ye    | ar               |                |               |                |                 |             |             | · · ·       |           |         |
| Balance of the general rate income pool at                  | the end of the   | e previous year  |                |               |                |                 |             |             | · · ·       |           |         |
| Balance of the general rate income pool at                  | the end of the   | e year           |                |               |                |                 |             |             | · · ·       |           |         |
| Part I tax (base amount)                                    |                  |                  |                |               |                |                 |             |             | · · ·       |           | 23,541  |
| Credits against part I tax                                  |                  | Summary of tax   | c              |               |                | Re              | funds/cre   | dits        |             |           |         |
| Small business deduction .                                  | 10,532           | Part I           |                | ·             |                |                 |             |             |             |           |         |
| M&P deduction                                               |                  |                  |                |               |                |                 |             |             | · · ·       |           |         |
| Foreign tax credit                                          |                  |                  |                |               |                |                 |             |             |             |           | 24,000  |
| Investment tax credits                                      | 6 105            | Other*           | <br>torial tay | ·             |                | Su<br>3,407 Ot  | rtax credit |             |             |           |         |
| Abatement/Other*                                            | 0,195            |                  | ionaliax.      | •             |                | <u>, 107</u> Ul | nei         |             | •••         |           |         |
| * The amounts displayed on lines "Other"                    | aro all listod i | n tha Halp Drass | E1 to cons     | ult the cont  | toxt consiti   | ivo holp        | Balance     | due/refun   | id (–)      |           | -13,779 |
|                                                             |                  | •                |                |               | ICAL-3CH 15111 | ive neip.       |             |             |             |           |         |
| Summary of federal carryforv                                | vard/carry       | back information | ation —        |               |                |                 |             |             |             |           |         |
| Carryforward balances<br>Unused surtax credit (Schedule 37) |                  |                  |                |               |                |                 |             |             |             |           | 3,606   |
| Cumulative eligible capital                                 |                  |                  |                |               |                |                 |             |             |             |           | 1,913   |
|                                                             |                  |                  |                |               |                |                 |             |             |             |           |         |

# $_{\Box}$ Summary of provincial information – provincial income tax payable

|                                                                   | Ontario | Québec<br>(CO-17) | Alberta<br>(AT1) |
|-------------------------------------------------------------------|---------|-------------------|------------------|
| Net income                                                        | 61,951  |                   |                  |
| Taxable income                                                    | C4 054  |                   |                  |
| % Allocation                                                      | 100.00  |                   |                  |
| Attributed taxable income                                         | C4 054  |                   |                  |
| Surtax                                                            |         | N/A               | N/A              |
| Tax payable before deduction*                                     | 8 673   |                   |                  |
| Deductions and credits                                            | 5,266   |                   |                  |
| Net tax payable                                                   | 3 107   |                   |                  |
| Attributed taxable capital                                        | 948,046 |                   | N/A              |
| Capital tax payable**                                             |         |                   | N/A              |
| Fotal tax payable***                                              | 3,407   |                   |                  |
| nstalments and refundable credits                                 |         |                   |                  |
| Balance due/Refund (-)                                            | 2 407   |                   |                  |
| * For Québec, this includes special taxes and logging operations. |         |                   |                  |

\*\* For Québec, this includes compensation tax and registration fee.

\*\*\* For Ontario, this includes the corporate minimum tax, the Crown royalties' additional tax, the transitional tax debit, the recaptured research and development tax credit and the special additional tax debit on life insurance corporations. The Balance due/Refund is included in the federal Balance due/refund.

# Summary – taxable capital

#### Federal

| Corporate name  | Taxable capital<br>used to calculate<br>the business limit<br>reduction<br>(T2, line 415) | Taxable capital<br>used to calculate<br>the SR&ED<br>expenditure limit<br>for a CCPC<br>(Schedules 31<br>and 49) | Taxable capital<br>used to calculate<br>line 233 of<br>the T2 return | Taxable capital<br>used to calculate<br>line 234 of<br>the T2 return |
|-----------------|-------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|----------------------------------------------------------------------|
| HYDRO 2000 INC. | 727,789                                                                                   | 727,789                                                                                                          | 948,046                                                              | 948,046                                                              |
| Total           | 727,789                                                                                   | 727,789                                                                                                          | 948,046                                                              | 948,046                                                              |

#### Québec

| Corporate name | Paid-up capital<br>used to calculate<br>the deduction<br>relating to<br>income-averaging<br>for forest producers<br>(CO-726.30) | Paid-up capital<br>used to calculate<br>the exemption<br>for small and<br>medium-sized<br>manufacturing<br>businesses<br>(CO-737.18.18) | Paid-up capital<br>used to calculate<br>the Québec<br>business limit<br>reduction<br>(CO-771 and<br>CO-771.1.3) | Paid-up capital<br>used to calculate<br>the tax credit<br>for investment<br>(CO-1029.8.36.IN) | Paid-up capital<br>used to calculate<br>the 1 million<br>deduction<br>(CO-1137.A and<br>CO-1137.E) |
|----------------|---------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|
| Total          |                                                                                                                                 |                                                                                                                                         |                                                                                                                 |                                                                                               |                                                                                                    |

#### Ontario

| Corporate name  |       | Taxable capital<br>used to calculate<br>the capital<br>deduction – Ontario<br>capital tax on<br>financial<br>institutions<br>(Schedule 514) | Taxable capital<br>used to calculate<br>the capital<br>deduction – Ontario<br>capital tax on other<br>than financial<br>institutions<br>(Schedule 515) | Specified capital<br>used to calculate<br>the expenditure<br>limit – Ontario<br>innovation tax<br>credit<br>(Schedule 566) |
|-----------------|-------|---------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| HYDRO 2000 INC. |       |                                                                                                                                             | 948,046                                                                                                                                                |                                                                                                                            |
|                 | Total |                                                                                                                                             | 948,046                                                                                                                                                |                                                                                                                            |

# Other provinces

| Other provinces |                                                                                                                                         |                                                                                                                            |                                                                                      |                                                                                     |
|-----------------|-----------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| Corporate name  | Capital used<br>to calculate the<br>Newfoundland<br>and Labrador<br>capital deduction<br>on financial<br>institutions<br>(Schedule 306) | Taxable capital<br>used to calculate<br>the Nova Scotia<br>capital deduction<br>on large<br>corporations<br>(Schedule 343) | Net paid up capital<br>– BC capital<br>tax on financial<br>institutions<br>(FIN 689) | BC paid up capital<br>– BC capital<br>tax on financial<br>institutions<br>(FIN 689) |
|                 |                                                                                                                                         |                                                                                                                            |                                                                                      |                                                                                     |
| Total           |                                                                                                                                         |                                                                                                                            |                                                                                      |                                                                                     |

# **Five-Year Comparative Summary**

|                                                                      | Current year                    | 1st prior year             | 2nd prior year         | 3rd prior year | 4th prior year |
|----------------------------------------------------------------------|---------------------------------|----------------------------|------------------------|----------------|----------------|
| <ul> <li>Federal information (T2) —<br/>Taxation year end</li> </ul> | 2009-12-31                      | 2008-12-31                 | 2007-12-31             | 2006-12-31     | 2005-12-31     |
| Net income                                                           | 61,951                          | 46,748                     | 156,368                | 141,919        | 42,651         |
| Taxable income                                                       | 61,951                          | 46,748                     | 156,368                | 54,846         |                |
| Active business income                                               | 61,951                          | 46,748                     | 156,368                | 141,919        | 42,651         |
| Dividends paid                                                       |                                 |                            |                        |                | ,              |
| Dividends paid – Regular                                             |                                 |                            |                        |                |                |
| Dividends paid – Eligible<br>LRIP – end of the<br>previous year      |                                 |                            |                        |                |                |
| LRIP – end of the year                                               |                                 |                            |                        |                |                |
| GRIP – end of the previous year                                      |                                 |                            |                        |                |                |
| GRIP – end of the year                                               |                                 |                            |                        |                |                |
| Donations                                                            |                                 |                            |                        |                |                |
| Balance due/refund (-)                                               | -13,779                         | 5,142                      | 20,515                 | 7,195          |                |
| - Federal taxes                                                      |                                 |                            |                        |                |                |
| Part I before surtax                                                 | 6,814                           | 5,142                      | 59,420                 | 6,581          |                |
| Surtax                                                               |                                 |                            | 1,751                  | 614            |                |
| Part I.3                                                             |                                 |                            |                        |                |                |
| Part IV                                                              |                                 |                            |                        |                |                |
| Part I & Surtax                                                      | 6,814                           | 5,142                      | 20,515                 | 7,195          |                |
| Part III.1                                                           |                                 |                            |                        |                |                |
| Other*                                                               |                                 |                            |                        |                |                |
| * The amounts displayed on lines "Oth                                | er" are all listed in the help. | Press F1 to consult the co | ontext-sensative help. |                |                |
| Credits against part I tax —                                         |                                 |                            |                        |                |                |
| Small business deduction                                             | 10,532                          | 7,947                      | 25,019                 | 8,775          |                |
| M&P deduction                                                        |                                 |                            |                        |                |                |
| Foreign tax credit                                                   |                                 |                            |                        |                |                |
| Political contribution                                               |                                 |                            |                        |                |                |
| Investment tax credit                                                |                                 |                            |                        |                |                |
| Abatement/other*                                                     | 6,195                           | 4,675                      | 15,637                 | 5,485          |                |
| * The amounts displayed on lines "Othe                               | er" are all listed in the help. | Press F1 to consult the co | ontext-sensative help. |                |                |
| - Refunds/credits                                                    |                                 |                            |                        |                |                |
| ITC refund                                                           |                                 |                            |                        |                |                |
| Dividend refund                                                      |                                 |                            |                        |                |                |
| Instalments                                                          | 24,000                          |                            |                        |                |                |
| Surtax credit                                                        |                                 |                            |                        |                |                |
| Other*                                                               |                                 |                            |                        |                |                |
| * The amounts displayed on lines "Oth                                | er" are all listed in the belo  | Press F1 to consult the co | intext-sensative help  |                |                |
|                                                                      |                                 |                            | non ochouwe hop.       |                |                |

| Taxation year end                     | 2009-12-31 | 2008-12-31 | 2007-12-31 | 2006-12-31 | 2005-12-31 |
|---------------------------------------|------------|------------|------------|------------|------------|
| Net income                            | 61,951     | 46,748     |            |            |            |
| Taxable income                        | 61,951     | 46,748     |            |            |            |
| % Allocation                          | 100.00     | 100.00     |            |            |            |
| Attributed taxable income             | 61,951     | 46,748     | 156,368    | 54,846     |            |
| Surtax                                |            |            |            |            |            |
| Income tax payable before deduction   | 8,673      | 6,545      | 21,892     | 7,678      |            |
| Income tax deductions<br>/credits     | 5,266      | 3,974      | 13,291     | 4,662      |            |
| Net income tax payable                |            | 2,571      | 8,601      | 3,016      |            |
| Taxable capital                       | 948,046    | 727,789    | 1,169,256  | 722,244    | 1,113,215  |
| Capital tax payable                   |            |            |            |            |            |
| Total tax payable*                    | 3,407      | 2,571      | 8,601      | 3,016      |            |
| Instalments and<br>refundable credits |            | 24,000     | 26,003     |            |            |
| Balance due/refund**                  | 3,407      | -21,429    | -17,402    | 3,016      | -18,000    |

\* For taxation years ending before January 1, 2009, this includes the corporate minimum tax and the premium tax. For taxation years ending after December 31, 2008, this includes the corporate minimum tax, the Crown royalties' additional tax, the transitional tax debit, the recaptured research and development tax credit and the special additional tax debit on life insurance corporations.

\*\* For taxation years ending after December 31, 2008, the Balance due/Refund is included in the federal Balance due/refund.

# **Federal Tax Instalments**

## Federal tax instalments

For the taxation year ended 2011-12-31

The following is a list of federal instalments payable for the current taxation year. The last column indicates the instalments payable to Revenue Canada. The instalments are due no later than on the dates indicated, otherwise non-deductible interest will be charged. A cheque or money order should be made payable to the Receiver General. Payment may be made by cheque or money order payable to the Receiver General either to an authorized financial institution or filed with **the appropriate remittance voucher to the following address**:

#### Canada Revenue Agency 875 Heron Road Ottawa ON K1A 1B1

Note that you may also be able to pay by telephone or Internet banking. For more information, consult the Corporation Instalment Guide.

#### Monthly instalment workchart

| Date       | Monthly tax instalments | Instalments<br>paid | Cumulative<br>difference | Instalments<br>payable |
|------------|-------------------------|---------------------|--------------------------|------------------------|
| 2011-01-31 |                         |                     |                          |                        |
| 2011-02-28 |                         |                     |                          |                        |
| 2011-03-31 |                         |                     |                          |                        |
| 2011-04-30 |                         |                     |                          |                        |
| 2011-05-31 |                         |                     |                          |                        |
| 2011-06-30 |                         |                     |                          |                        |
| 2011-07-31 |                         |                     |                          |                        |
| 2011-08-31 |                         |                     |                          |                        |
| 2011-09-30 |                         |                     |                          |                        |
| 2011-10-31 |                         |                     |                          |                        |
| 2011-11-30 |                         |                     |                          |                        |
| 2011-12-31 |                         |                     |                          |                        |
|            |                         |                     |                          |                        |
|            |                         |                     |                          |                        |
|            |                         |                     |                          |                        |
| Tota       | l                       |                     |                          |                        |

#### Quarterly instalment workchart

| Date       |       | Quarterly tax<br>instalments | Instalments<br>paid | Cumulative<br>difference | Instalments<br>payable |
|------------|-------|------------------------------|---------------------|--------------------------|------------------------|
| 2011-03-31 |       | 3,606                        |                     |                          | 3,606                  |
| 2011-06-30 |       | 3,606                        |                     |                          | 3,606                  |
| 2011-09-30 |       | 3,606                        |                     |                          | 3,606                  |
| 2011-12-31 |       | 3,606                        |                     |                          | 3,606                  |
|            | Total | 14,424                       |                     |                          | 14,424                 |

1st Instalment base method

If payment of instalments other than quarterly instalments is delayed, indicate the MONTH in which you want them to begin (1=January, 2=February, etc.).

Select this box if you want the instalments to be calculated without taking the applicable threshold into account

1

|                   | rly instalments calculation                                                                                                          |                                        |                      |
|-------------------|--------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|----------------------|
| The corpo         | pration must meet requirements 1 to 5 to be eligible for quarterly in                                                                | nstalments for a tax year.             |                      |
| 1 – <u>Is the</u> | e corporation a Canadian-controlled private corporation (CCPC)?                                                                      |                                        | X Yes No             |
| 2 – <u>Did t</u>  | he corporation claim any deduction under the section 125, during                                                                     | either the current or previous year?   | X Yes No             |
|                   | e corporation's, or any of its associated corporations', taxable inco<br>than or equal to \$500,000?*                                | ome for the current or previous year   | X Yes No             |
|                   | e corporation and any associated corporations' taxable capital em<br>ne current or previous year less than or equal to \$10,000,000? | ployed in Canada                       | X Yes No             |
| 5 – Does          | the corporation have a perfect compliance history in the last 12 r                                                                   | nonths?                                | X Yes No             |
| lf you do         | not want to use the quarterly instalments option, select this box to                                                                 | go back to monthly instalments.        |                      |
| *Consult t        | the Help (F1) for information on the changes relating to years sub                                                                   | sequent to 2008.                       |                      |
| _ 1 – 1st         | Instalment base method                                                                                                               |                                        |                      |
| 1st Instalr       | ment base amount (amount N below)                                                                                                    | 14,424 ÷ 12 = _                        | 1,202                |
|                   |                                                                                                                                      | Monthly instalments required           | 1,202                |
| Quarterly         | tax instalments required                                                                                                             | <u>14,424</u> ÷ 4 =                    | 3,606                |
| -                 | nbined 1st and 2nd instalment base method                                                                                            |                                        |                      |
|                   | s box if you want the first 2 payments* to be calculated<br>king the applicable threshold into account?                              |                                        |                      |
|                   | thly instalment base amount                                                                                                          |                                        |                      |
| Indicate:         | Part I tax                                                                                                                           | 6,814                                  |                      |
|                   | Part VI, VI.1 and XIII.1 tax                                                                                                         | +                                      |                      |
|                   | Federal adjustment for amalgamation, winding up or transfer                                                                          | +                                      |                      |
|                   | Provincial tax, other than Alberta, Québec and Ontario                                                                               | +                                      |                      |
|                   | Ontario tax**                                                                                                                        | + 3,407                                |                      |
|                   | Provincial adjustment for amalgamation, winding up or transfer                                                                       |                                        |                      |
| 1/10 -5           | time to design and the (MA below (40))                                                                                               | <b>Total</b> =10,221 ÷ 12 = _          | 852 A                |
| 1/12 or es        | stimated current year credits (M below /12)                                                                                          | of the first two instalment payments = | 852 <b>B</b>         |
| Total tax t       | from N below                                                                                                                         | <u>14,424</u>                          | <b>0</b> 32 <b>B</b> |
|                   | B above x 2                                                                                                                          |                                        |                      |
|                   |                                                                                                                                      | = 12,720 ÷ 10 =                        | 1,272                |
|                   | Each of the                                                                                                                          | remaining ten instalment payments =    |                      |
| 2nd Quar          | rterly instalment base amount                                                                                                        |                                        |                      |
| Indicate:         | Part I tax                                                                                                                           | 6,814                                  |                      |
|                   | Part VI, VI.1 and XIII.1 tax                                                                                                         | +                                      |                      |
|                   | Federal adjustment for amalgamation, winding up or transfer                                                                          | +                                      |                      |
|                   | Provincial tax, other than Alberta, Québec and Ontario                                                                               | +                                      |                      |
|                   | Ontario tax**                                                                                                                        | +3,407                                 |                      |
|                   | Provincial adjustment for amalgamation, winding up or transfer                                                                       | +                                      |                      |
|                   |                                                                                                                                      | <b>Total</b> = <u>10,221</u> ÷ 4 = _   | 2,556 A              |
| 1/4 of esti       | imated current year credits (M below /4)                                                                                             |                                        |                      |
|                   |                                                                                                                                      | The first instalment payment =         | В                    |
| Total tax t       | from N below                                                                                                                         | 14,424                                 |                      |
| Amount B          | 3 above                                                                                                                              |                                        |                      |
|                   |                                                                                                                                      | = <u>14,424</u> ÷ 3 = _                |                      |
|                   | Each of the re                                                                                                                       | maining three instalment payments =    |                      |
|                   | e first payment if the quarterly instalments are applicable. is line only to calculate instalments payable with regard to taxation   | n years ending in 2009 and after.      |                      |
| 3 – Esti          | imated tax method                                                                                                                    |                                        |                      |
|                   |                                                                                                                                      |                                        |                      |
| mstaimen          | nt base amount (amount N below)                                                                                                      |                                        |                      |
|                   |                                                                                                                                      | Monthly instalments required           |                      |

\_÷4 =\_

| ederal tax                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 1st instalment<br>base method<br>00, 174 | Estimated tax method             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|----------------------------------|
| Taxable income                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 90,174                                   |                                  |
| Calculation of tax payable                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                          |                                  |
| Federal part I tax                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 34,266                                   |                                  |
| Recapture of investment tax credit +                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                          | +                                |
| Refundable tax on a CCPC's investment income +                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                          | +                                |
| Subtotal =                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 34,266                                   | =                                |
| Deduction                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                          |                                  |
| Small business deduction                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 15,330                                   |                                  |
| Investment corporation deduction +                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 15,550                                   | +                                |
| Federal tax abatement +                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 9,017                                    | +                                |
| Manufacturing and processing profits deduction +                                                                                                                                                                                                                                                                                                                                                                                                                                                | 5,017                                    |                                  |
| Non-business foreign tax credit +                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                          | +                                |
| Business foreign tax credit +                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                          | +                                |
| Tax reduction, general and accelerated +                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                          | +                                |
| Logging tax credit +                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                          | +                                |
| Investment tax credit per Schedule 31 +                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                          | +                                |
| Qualifying environmental trust tax credit +                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                          | +                                |
| Subtotal =                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 24,347                                   |                                  |
| Gubiotai                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 27,377                                   |                                  |
| Federal tax summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                          |                                  |
| Total part I tax payable (A minus B)                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 9,919                                    |                                  |
| Part VI tax +                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                          | +                                |
| Part VI.1 tax +                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                          | +                                |
| Part XIII.1 tax +                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                          | +                                |
| Parts I, VI, VI.1 and XIII.1 Total =                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 9,919                                    | =                                |
| Adjustment for short taxation years multiplied by 365 and<br>divided by the number of days in the year if less than 365 x<br>Subtotal =                                                                                                                                                                                                                                                                                                                                                         | <u>365 / 365</u><br>9,919                | × <u>365 / 365</u><br>=<br>+ N/A |
| Federal adjustment for amalgamation, winding up or transfer +                                                                                                                                                                                                                                                                                                                                                                                                                                   | 9,919                                    | + <u>N/A</u>                     |
| Total federal tax after adjustments =                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 9,919                                    |                                  |
| rovincial tax                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                          |                                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                          |                                  |
| Provincial/territorial tax, other than Alberta, Québec and Ontario +                                                                                                                                                                                                                                                                                                                                                                                                                            |                                          | +                                |
| Ontario tax                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                          |                                  |
| years ending in 2009 and after (for other tax years, see the Ontario Tax<br>Instalments schedule (Jump Code: ION)):                                                                                                                                                                                                                                                                                                                                                                             |                                          |                                  |
| Use this section only to calculate instalments payable with regard to taxation years ending in 2009 and after (for other tax years, see the <i>Ontario Tax Instalments</i> schedule (Jump Code: <b>ION</b> )):                                                                                                                                                                                                                                                                                  |                                          |                                  |
| years ending in 2009 and after (for other tax years, see the Ontario Tax<br>Instalments schedule (Jump Code: ION)):<br>Income tax 4,505<br>Capital tax +                                                                                                                                                                                                                                                                                                                                        |                                          |                                  |
| years ending in 2009 and after (for other tax years, see the Ontario Tax<br>Instalments schedule (Jump Code: ION)):<br>Income tax 4,505<br>Capital tax +<br>Corporate minimum tax paid (credited) +                                                                                                                                                                                                                                                                                             |                                          |                                  |
| years ending in 2009 and after (for other tax years, see the Ontario Tax<br>Instalments schedule (Jump Code: ION)):<br>Income tax                                                                                                                                                                                                                                                                                                                                                               | 4 505                                    |                                  |
| years ending in 2009 and after (for other tax years, see the Ontario Tax<br>Instalments schedule (Jump Code: ION)):<br>Income tax<br>Capital tax<br>Corporate minimum tax paid (credited)<br>Special additional tax on life insurance corporations<br>Total Ontario tax* = 4,505                                                                                                                                                                                                                | 4,505                                    | +                                |
| years ending in 2009 and after (for other tax years, see the Ontario Tax<br>Instalments schedule (Jump Code: ION)):<br>Income tax<br>Capital tax<br>Corporate minimum tax paid (credited)<br>Special additional tax on life insurance corporations<br>Total Ontario tax*<br>+<br>                                                                                                                                                                                                               | <u>4,505</u><br>4,505                    | +                                |
| years ending in 2009 and after (for other tax years, see the Ontario Tax<br>Instalments schedule (Jump Code: ION)):<br>Income tax<br>Capital tax<br>Capital tax<br>Corporate minimum tax paid (credited)<br>Special additional tax on life insurance corporations<br>Total Ontario tax*<br>Harmonized provincial tax (H + I)<br>Total harmonized provincial tax<br>Adjustment for short taxation years multiplied by 365 and<br>divided by the number of days in the year if less than 365<br>× | 4,505                                    | +<br>=<br>× <u>365 / 365</u>     |
| years ending in 2009 and after (for other tax years, see the Ontario Tax<br>Instalments schedule (Jump Code: ION)):<br>Income tax                                                                                                                                                                                                                                                                                                                                                               | 4,505                                    | =                                |
| years ending in 2009 and after (for other tax years, see the Ontario Tax<br>Instalments schedule (Jump Code: ION)):<br>Income tax                                                                                                                                                                                                                                                                                                                                                               | 4,505<br>365 / 365<br>4,505              | +<br>=<br>                       |
| years ending in 2009 and after (for other tax years, see the Ontario Tax<br>Instalments schedule (Jump Code: ION)):<br>Income tax                                                                                                                                                                                                                                                                                                                                                               | 4,505                                    | =                                |

| Instalment base calculation (continued)         |        |     |
|-------------------------------------------------|--------|-----|
| Estimated current year credits                  |        |     |
| Investment tax credit refund                    |        |     |
| Dividend refund                                 | +      | +   |
| Federal capital gains refund                    | +      | +   |
| Provincial and territorial capital gains refund | +      | +   |
| NRO allowable refund per Schedule 26            | +      | +   |
| Tax withheld at source                          | +      | +   |
| Other estimated credits                         | +      | +   |
| Total estimated current year credits            | =      | = M |
| Instalment base amount (L – M)                  | 14,424 | N   |

\* Ontario tax corresponds to the amount before the application of specified Ontario tax credits.

\*\* For instalments payable the amount on line G is not added to line L unless it exceeds \$3,000. The same rule applies to line K.



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#### INFORMATION RETURN FOR CORPORATIONS FILING ELECTRONICALLY

- You have to complete this return to allow your transmitter to electronically file your corporation income tax return to us at the Canada Revenue Agency. You have to complete this return for each tax year.
- By completing part B and signing part C, you acknowledge that, under the *Income Tax Act*, you have to keep all records used to prepare your corporation income tax return, and provide this information to us on request.
- Part D must be completed by either you or the electronic transmitter of your corporation income tax return.
- Give the signed original of this return to the transmitter and keep a copy for yourself. Under the Act, you have to keep your copy for six years.
- We are responsible for ensuring the confidentiality of your electronically filed tax information only after we have accepted it.

#### This return is for your records. Do not send it to us unless we ask for it.

#### Part A – Identification

| Name of corporation |          |               |             |
|---------------------|----------|---------------|-------------|
| HYDRO 2000 INC.     |          |               |             |
| Business Number     | Tax year | From<br>Y M D | To<br>Y M D |
| 86595 5397 RC0001   | •        | 2010-01-01    | 2010-12-31  |

#### Part B – Declaration

| Enter the following amounts, if applicable, from your corporation income tax return for the tax year noted above: |        |
|-------------------------------------------------------------------------------------------------------------------|--------|
| Net income or (loss) for income tax purposes from Schedule 1, financial statements or GIFI (line 300)             | 90,174 |
| Part I tax payable (line 700)                                                                                     | 9,919  |
| Part II surtax payable (line 708)                                                                                 |        |
| Part III.1 tax payable (line 710)                                                                                 |        |
| Part IV tax payable (line 712)                                                                                    |        |
| Part IV.1 tax payable (line 716)                                                                                  |        |
| Part VI tax payable (line 720)                                                                                    |        |
| Part VI.1 tax payable (line 724)                                                                                  |        |
| Part XIV tax payable (line 728)                                                                                   |        |
| Net provincial and territorial tax payable (line 760)                                                             | 4,505  |
| Provincial tax on large corporations (line 765)                                                                   |        |

#### Part C – Certification and authorization

| I, BEAULNE                            | RENÉ                                                                                                                                                                                      | GI                                 | ÉRANT                     |
|---------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|---------------------------|
| Last name in bloc                     | k letters First name in b                                                                                                                                                                 | block letters                      | Position, office, or rank |
| nd statements, and that the inform    | the corporation. I certify that I have examined the contation given on the T2 return and this T183 Corp information of calculating income for this tax year is consistent of this return. | ormation return is, to the best of | my knowledge, correct and |
|                                       | I in Part D to electronically file the corporation income<br>use to any errors Canada Revenue Agency identifies.<br>d.                                                                    |                                    |                           |
| nformation originally filed in respon | se to any errors Canada Revenue Agency identifies.                                                                                                                                        |                                    |                           |

#### The following transmitter has electronically filed the tax return of the corporation identified in Part A.

Name of person or firm DELOITTE.

Electronic filer number

Privacy Act, Personal Information Bank number CRA PPU 047

T183 CORP (11)



2010-12-31

Do not use this area

055

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# **T2 CORPORATION INCOME TAX RETURN**

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

Parts, sections, subsections, paragraphs, and subparagraphs mentioned on this return refer to the federal *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing.

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

For more information see **www.cra.gc.ca** or Guide T4012, *T2 Corporation – Income Tax Guide*.

| - Identification                                                            |                                         |                                                                                    |                                                     |
|-----------------------------------------------------------------------------|-----------------------------------------|------------------------------------------------------------------------------------|-----------------------------------------------------|
| Business Number (BN)                                                        | 001 86595 5397 RC0001                   |                                                                                    |                                                     |
| Corporation's name                                                          |                                         | To which tax year does this return apply?                                          |                                                     |
| 002 HYDRO 2000 INC.                                                         |                                         | Tax year start                                                                     | Tax year-end                                        |
| Address of head office                                                      |                                         | 060 2010-01-01 06                                                                  |                                                     |
| Has this address changed since the last                                     |                                         | YYYY MM DD                                                                         | YYYY MM DD                                          |
| time you filed your T2 return?                                              | 010 1 Yes 2 No X                        | Has there been an acquisition of control                                           |                                                     |
| (If <b>yes</b> , complete lines 011 to 018.)                                |                                         | to which subsection 249(4) applies since<br>the previous tax year?                 | 3 1 Yes 2 No X                                      |
| 011 265, RUE ST-PHILIPPE                                                    |                                         | If yes, provide the date                                                           |                                                     |
| 012<br>City                                                                 | Province, territory, or state           | control was acquired                                                               | 5                                                   |
| 015 ALFRED                                                                  | 016 ON                                  |                                                                                    | YYYY MM DD                                          |
| Country (other than Canada)                                                 | Postal code/Zip code                    | Is the date on line 061 a deemed                                                   |                                                     |
| 017                                                                         | 018 K0B 1A0                             | tax year-end in accordance with subsection 249(3.1)?                               | 6 1 Yes 2 No 🗙                                      |
| Mailing address (if different from head of                                  | office address)                         | Is the corporation a professional                                                  |                                                     |
| Has this address changed since the last time you filed your T2 return?      | 020 1 Yes 2 No X                        | corporation that is a member of                                                    |                                                     |
| (If <b>yes</b> , complete lines 021 to 028.)                                |                                         | a partnership?06                                                                   | 7 1 Yes 2 No X                                      |
| <b>021</b> c/o                                                              |                                         | Is this the first year of filing after:                                            |                                                     |
| 022                                                                         |                                         | Incorporation?                                                                     |                                                     |
| 023                                                                         |                                         | Amalgamation? 07                                                                   |                                                     |
| City                                                                        | Province, territory, or state           | If yes, complete lines 030 to 038 and attach Sche                                  | dule 24.                                            |
| 025                                                                         | 026                                     | Has there been a wind-up of a                                                      |                                                     |
| Country (other than Canada)                                                 | Postal code/Zip code                    | subsidiary under section 88 during the current tax year?                           | 2 1 Yes 2 No X                                      |
| 027                                                                         | 028                                     | If yes, complete and attach Schedule 24.                                           |                                                     |
| Location of books and records                                               |                                         | Is this the final tax year                                                         |                                                     |
| Has the location of books and records changed since the last time you filed |                                         | before amalgamation?                                                               | 6 1 Yes 2 No X                                      |
| your T2 return?                                                             | 030 1 Yes 2 No X                        | Is this the final return up to                                                     |                                                     |
| (If <b>yes</b> , complete lines 031 to 038.)                                |                                         | dissolution? 07                                                                    | 3 1 Yes 2 No X                                      |
| 031                                                                         |                                         | If an election was made under                                                      |                                                     |
| 032 265, RUE ST-PHILIPPE                                                    |                                         | section 261, state the functional 070                                              | 9                                                   |
| City                                                                        | Province, territory, or state           |                                                                                    | ·                                                   |
| 035 ALFRED                                                                  | 036 ON                                  | Is the corporation a resident of Canada?                                           | try of regidence on line                            |
| Country (other than Canada)                                                 | Postal code/Zip code                    | 080 1 Yes X 2 No 681 and complete a                                                | try of residence on line<br>and attach Schedule 97. |
| 037                                                                         | <b>038</b> K0B 1A0                      | 081                                                                                |                                                     |
| 040 Type of corporation at the end of                                       | of the tax year                         | Is the non-resident corporation                                                    |                                                     |
| 1 X Canadian-controlled                                                     | 4 Corporation controlled                | claiming an exemption under                                                        |                                                     |
|                                                                             | by a public corporation                 | an income tax treaty?                                                              | 2 1 Yes 2 No X                                      |
| 2 Other private corporation                                                 | 5 Other corporation<br>(specify, below) | If yes, complete and attach Schedule 91.                                           |                                                     |
|                                                                             |                                         | If the corporation is exempt from tax under se<br>tick one of the following boxes: | ection 149,                                         |
| 3 corporation                                                               |                                         | <b>085</b> 1 Exempt under paragraph 149(1)                                         | (e) or (l)                                          |
| If the type of corporation changed during                                   |                                         | 2 Exempt under paragraph 149(1)                                                    |                                                     |
| the tax year, provide the effective date of the change.                     | 043                                     | 3 Exempt under paragraph 149(1)                                                    | 3,                                                  |
| date er trie ondrige.                                                       | YYYY MM DD                              | 4 Exempt under other paragraphs                                                    | ()                                                  |
|                                                                             |                                         | e this area                                                                        |                                                     |
| 091 092                                                                     | 093                                     | 094 095                                                                            | 096                                                 |
| 100                                                                         |                                         |                                                                                    |                                                     |

Canadä

| - 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?                                                                                                                                                                                                                               | 9            |
| Is the corporation an associated CCPC?                                                                                                                                                                                                                                              | 23           |
| Is the corporation an associated CCPC that is claiming the expenditure limit?                                                                                                                                                                                                       | 49           |
| 5 · · · · · · · · · · · · · · · · · · ·                                                                                                                                                                                                                                             |              |
| Does the corporation have any non-resident shareholders? <b>151</b><br>Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees,                                                                                     | 19           |
| other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents                                                                                                                                                                | 11           |
| If you answered <b>yes</b> 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? <b>163</b>                                                 | 44           |
| Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?                                                                                                                                                                          | 14           |
| Is the corporation claiming a deduction for payments to a type of employee benefit plan?                                                                                                                                                                                            | 15           |
| Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?                                                                                                                                                                                  | T5004        |
| Is the corporation a member of a partnership for which a partnership identification number has been assigned?                                                                                                                                                                       | T5013        |
| Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did<br>not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust?                                               | 22           |
| Did the corporation have any foreign affiliates during the year?                                                                                                                                                                                                                    | 25           |
| Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1)                                                                                                                                                                             |              |
|                                                                                                                                                                                                                                                                                     | 29           |
| Has the corporation had any non-arm's length transactions with a non-resident?                                                                                                                                                                                                      | T106         |
| For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?                                                                                                                                       | <b>X</b> 50  |
| Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year? 172                                                                                                                                                     |              |
| Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?                                                                                                                                                                | <b>X</b> 1   |
| Has the corporation made any charitable donations; gifts to Canada, a province, or a territory;<br>gifts of cultural or ecological property; or gifts of medicine?                                                                                                                  | <br>2        |
| Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?                                                                                                                                                                       | 3            |
|                                                                                                                                                                                                                                                                                     | 4            |
|                                                                                                                                                                                                                                                                                     | 4            |
| Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?                                                                                                                                         | <b>X</b> 5   |
| Has the corporation realized any capital gains or incurred any capital losses during the tax year? 206                                                                                                                                                                              | 6            |
| i) Is the corporation (or its associated corporations) 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 |              |
|                                                                                                                                                                                                                                                                                     | 7<br>X 8     |
|                                                                                                                                                                                                                                                                                     | V            |
| Does the corporation have any property that is eligible capital property? 210                                                                                                                                                                                                       |              |
| Does the corporation have any resource-related deductions? 212                                                                                                                                                                                                                      | 12           |
| Is the corporation claiming deductible reserves?                                                                                                                                                                                                                                    | 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?                                                                                                                                                       | 17           |
| Is the corporation an investment corporation or a mutual fund corporation?                                                                                                                                                                                                          | 18           |
| Is the corporation carrying on business in Canada as a non-resident corporation?                                                                                                                                                                                                    | 20           |
| Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?                                                                                                                                                        | 21           |
| Does the corporation have any Canadian manufacturing and processing profits?                                                                                                                                                                                                        | 27           |
| Is the corporation claiming an investment tax credit? 231                                                                                                                                                                                                                           | 31           |
| Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?                                                                                                                                                                              | T661         |
| Is the total taxable capital employed in Canada of the corporation and its related corporations over \$10,000,000?                                                                                                                                                                  |              |
| Is the total taxable capital employed in Canada of the corporation and its associated corporations over \$10,000,000? 234                                                                                                                                                           |              |
| Is the corporation claiming a surtax credit?                                                                                                                                                                                                                                        | 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?                                                                                                                                                                                                                                    | 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?                                                                                                                                                   | 43           |
| Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?                                                                                                                                                                                                       | 45           |
| Is the corporation subject to Part II - Tobacco Manufacturers' surtax?                                                                                                                                                                                                              | 46           |
| For financial institutions: Is the corporation a member of a related group of financial institutions with one or<br>more members subject to gross Part VI tax?                                                                                                                      | 39           |
|                                                                                                                                                                                                                                                                                     |              |
|                                                                                                                                                                                                                                                                                     |              |
| 1 5 1                                                                                                                                                                                                                                                                               | T1177        |
| Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)                                                                                                                                                                | 92           |

| 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 ransfer or loan property to a non-resident trust?       260       T11141         Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?       261       T11142         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 with other associated corporations for salary or wages of specified employees for SR&ED?       264       T1174         Did the corporation made an election under subsection 89(11) not to be a CCPC?       266       T12002         Has the corporation revoked any previous election made under subsection 89(11)?       267       T2002         Did the corporation (CCPC or deposit insurance corporation (DIC)) pay eligible dividends, or did its general rate income pool (GRIP) change in the tax year?       268       53         Did the corporation (other than a CCPC or DIC) pay eligible dividends, or did its low rate income pool (LRIP) change in the tax year?       268       53 |
| - Additional information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Additional information         Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?       270       1 Yes       2 No       X         Is the corporation inactive?       280       1 Yes       280       1 Yes       2 No       X         Has the major business activity changed since the last return was filed? (enter yes for first-time filers)       282       1 Yes       2 No       X         What is the corporation's major business activity?       282       282       283       1 Wholesale       2 Retail       X         If the major business activity involves the resale of goods, show whether it is wholesale or retail       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       DISTRIBUTION D'ÉLECT       285       100.000 %         286       286       286       287       %         288       288       0       0       0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Did the corporation immigrate to Canada during the tax year?       291       1 Yes       2 No       X         Did the corporation emigrate from Canada during the tax year?       292       1 Yes       2 No       X         Do you want to be considered as a quarterly instalment remitter if you are eligible?       293       1 Yes       2 No       X         If the corporation ceased to be eligible       2 No       a quarterly basis for part of the tax year, provide       294       294         YYYY       MM       DD       204       204       204       204                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| If the corporation's major business activity is construction, did you have any subcontractors during the tax year? 295 1 Yes 2 No                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| – Taxable income –                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI.       300       90,174       A         Deduct:       Charitable donations from Schedule 2       311                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Add: Section 110.5 additions or subparagraph 115(1)(a)(vii) additions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Taxable income (amount C plus amount D)         360         90,174           Income exempt under paragraph 149(1)(t)         370         370                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| * This amount is equal to 3.2 times the Part VI.1 tax payable at line 724.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

| ┌ Small business deduction ────────────────────────────────────                                                                                                                                                                                                                                                                                                                                                                                                                    |                |   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---|
| Canadian-controlled private corporations (CCPCs) throughout the tax year                                                                                                                                                                                                                                                                                                                                                                                                           |                |   |
| Income from active business carried on in Canada from Schedule 7                                                                                                                                                                                                                                                                                                                                                                                                                   | 90,174         | A |
| Taxable income from line 360, minus 10/3 of the amount on line 632*, minus 1/(0.38 - X**)       3.57143         times the amount on line 636***, and minus any amount that, because of federal law, is exempt form Part I tax                                                                                                                                                                                                                                                      | 90,174         | в |
| Calculation of the business limit:                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                |   |
| For all CCPCs, calculate the amount at line 4 below.                                                                                                                                                                                                                                                                                                                                                                                                                               |                |   |
| 400,000 × Number of days in the tax year before 2009 = 1                                                                                                                                                                                                                                                                                                                                                                                                                           |                |   |
| Number of days in the tax year 365                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                |   |
| 500,000 × Number of days in the tax year after 2008 365 = 500,000 _ 2                                                                                                                                                                                                                                                                                                                                                                                                              |                |   |
| Number of days in the tax year 365                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                |   |
| Add amounts at lines 1 and 2 500,000 4                                                                                                                                                                                                                                                                                                                                                                                                                                             |                |   |
| Business limit (see notes 1 and 2 below)       410         Notes:       1. For CCPCs that are not associated, enter the amount from line 4 on line 410. However, if the corporation's tax year is less than 51 weeks, prorate the amount from line 4 by the number of days in the tax year divided by 365, and enter the result on line 410.         2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.         Business limit reduction: | <u>500,000</u> |   |
| Amount C 500,000 × 415 **** D =                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                | E |
| 11,250                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                |   |
| Reduced business limit (amount C minus amount E) (if negative, enter "0")                                                                                                                                                                                                                                                                                                                                                                                                          | 500,000        | F |
| Small business deduction                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                |   |
| Amount A, B, C, or F, whichever is the least 90,174 × 17 % =                                                                                                                                                                                                                                                                                                                                                                                                                       | 15,330         | G |
| Enter amount G on line 1.                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                |   |
| * 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.<br>** General rate reduction percentage for the tax year. It has to be pro-rated.                                                                                                                                                                                                                                                                                   |                |   |
| *** 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 corporations                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                |   |
| <ul> <li>If the corporation is not associated with any corporations in both the current and previous tax years, the amount to be entered on line 415 is:<br/>(Total taxable capital employed in Canada for the <b>prior year</b> minus \$10,000,000) x 0.225%.</li> </ul>                                                                                                                                                                                                          |                |   |

If the corporation is not associated with any corporations in the current tax year, but was associated in the previous tax year, the amount to be entered on line 415 is: (Total taxable capital employed in Canada for the current year minus \$10,000,000) x 0.225%

• For corporations associated in the current tax year, see Schedule 23 for the special rules that apply.

|                                                                                                                                                                                                                                 | trolled private corporatio                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                      | - 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| Faxable income                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      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90,17             |
|                                                                                                                                                                                                                                 | m Part 13 of Schedule 27                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             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| nter amount M<br>Except for a co<br><b>General ta</b>                                                                                                                                                                           | I on line 638.<br>orporation that is, througho<br><b>IX reduction</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                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| nter amount M<br>Except for a co<br>General ta<br>o not comple                                                                                                                                                                  | I on line 638.<br>orporation that is, througho<br><b>IX reduction</b><br>ete this area if you are a C                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                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credit union.     |
| nter amount M<br>Except for a co<br>General ta<br>o not comple<br>mutual fund                                                                                                                                                   | I on line 638.<br>orporation that is, througho<br><b>IX reduction</b><br>ete this area if you are a C                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                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ment corporation, |
| nter amount M<br>Except for a co<br>General ta<br>o not comple<br>mutual fund<br>axable income                                                                                                                                  | A on line 638.<br>orporation that is, througho<br>ax reduction<br>ete this area if you are a C<br>corporation, or any corp<br>e from page 3 (line 360 or a                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           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ment corporation, |
| nter amount M<br>Except for a co<br>General ta<br>o not comple<br>mutual fund<br>axable income<br>esser of amou<br>mount QQ from                                                                                                | I on line 638.<br>orporation that is, througho<br>exercise this area if you are a C<br>corporation, or any corp<br>e from page 3 (line 360 or a<br>ints V and Y (line Z1) from<br>m Part 13 of Schedule 27                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           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                                                                                                                                                                                                                                                                                                                                                   | rporation (within the meaning assigned corporation, an investment content that is not subject to the corporation, an investment content that is not subject to the corporation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | gned by subs<br>proporation, a<br>poration tax<br> | ection 136(2)) of<br>a mortgage inv<br>rate of 38%.<br>                                         | pr a c<br>vestr<br>_ 0<br>_ P<br>_ Q<br>_ P<br>_ Q<br>_ ■                              |                   |
| nter amount M<br>Except for a co<br>General ta<br>o not comple<br>mutual fund<br>axable income<br>esser of amou<br>mount QQ from<br>mount used to<br>otal of amount<br>mount N minu<br>mount S<br>mount S                       | A on line 638.<br>orporation that is, througho<br>at reduction<br>ete this area if you are a C<br>corporation, or any corp<br>e from page 3 (line 360 or a<br>ints V and Y (line Z1) from<br>m Part 13 of Schedule 27<br>to calculate the credit union of<br>ts O to Q                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Canadia<br>coration<br>amount Z<br>Part 9 or<br><br>deductic<br><br>mter "0")<br>x<br><br>x<br><br>x | ear, a cooperative con<br>m-controlled privat<br>with taxable incom<br>2, whichever applies)<br>f Schedule 27<br>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | rporation (within the meaning assigned corporation, an investment content that is not subject to the corporation, an investment content that is not subject to the corporation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | gned by subs<br>proporation, a<br>poration tax<br> | ection 136(2)) of<br>a mortgage inv<br>rate of 38%.<br>x<br>x 8.5 %<br>x 9 %<br>x 9 %<br>x 10 % | pr a c<br>vestr<br>_ 0<br>_ P<br>_ Q<br>_ P<br>_ Q<br>_ ■                              |                   |
| nter amount M<br>Except for a co<br>General ta<br>o not comple<br>mutual fund<br>axable income<br>esser of amou<br>mount QQ froi<br>mount used to<br>otal of amount<br>mount N minu<br>mount S<br>mount S<br>mount S<br>mount S | I on line 638.         orporation that is, througho         ext reduction         ete this area if you are a C         corporation, or any corp         e from page 3 (line 360 or a         ints V and Y (line Z1) from         or calculate the credit union of         ts O to Q         us amount R (if negative, end)         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Canadia<br>coration<br>amount Z<br>Part 9 or<br><br>deductic<br><br>mter "0")<br>x<br><br>x<br><br>x | ear, a cooperative con<br>m-controlled privat<br>with taxable incom<br>d, whichever applies)<br>f Schedule 27<br>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | rporation (within the meaning assigned and the tax year after 7, and before January 1, 2009 f days in the tax year after 8, and before January 1, 2010 f days in the tax year after 9, and before January 1, 2010 f days in the tax year after 9, and before January 1, 2010 f days in the tax year after 9, and before January 1, 2011 f days in the tax year after 10, and before January 2012 f days in the tax year after 10, and before January 2012 f days in the tax year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | gned by subs<br>poporation, a<br>poration tax<br>  | ection 136(2)) of<br>a mortgage inv<br>rate of 38%.<br>                                         | or a c<br>vestr<br>- 0<br>- P<br>- Q<br>- P<br>- Q<br>- = ■<br>- = =<br>- = =<br>- = = |                   |
| nter amount M<br>Except for a co<br>General ta<br>o not comple<br>mutual fund<br>axable income<br>esser of amou<br>mount QQ fro<br>mount used to<br>otal of amount<br>mount N minu<br>mount S<br>mount S                        | I on line 638.         orporation that is, througho         ext reduction         ete this area if you are a C         corporation, or any corp         e from page 3 (line 360 or a         ints V and Y (line Z1) from         or calculate the credit union of         ts O to Q         us amount R (if negative, end)         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >         >                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | x                                                                                                    | ear, a cooperative con<br>m-controlled privat<br>with taxable incom<br>f, whichever applies)<br>f Schedule 27<br><br>n from Schedule 17<br><br>Number of da<br>December 31, 2007<br>Number of da<br>December 31, 2008<br>Number of da<br>December 31, 2009<br>Number of da<br>December 31, 2009                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | rporation (within the meaning assigned corporation, an investment content that is not subject to the corporation, an investment content that is not subject to the corporation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | gned by subs<br>poporation, a<br>poration tax<br>  | ection 136(2)) (<br>a mortgage inv<br>rate of 38%.<br>                                          | or a c<br>vestr<br>- 0<br>- P<br>- Q<br>- P<br>- Q<br>- = ■<br>- = =<br>- = =<br>- = = |                   |

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| ┌ Refundable portion of Part I tax ─────                                       |                                                |
|--------------------------------------------------------------------------------|------------------------------------------------|
| Canadian-controlled private corporations throughout the tax year               |                                                |
| Aggregate investment income 440                                                | _ × 26 2 / 3 % = A                             |
| Foreign non-business income tax credit from line 632                           |                                                |
| Deduct:                                                                        |                                                |
| Foreign investment income                                                      | _ x 9 1 / 3 % =<br>(if negative, enter "0") ▶B |
| from Schedule 7                                                                | (if negative, enter "0") B                     |
| Amount A <b>minus</b> amount B (if negative, enter "0")                        | c                                              |
| Taxable income from line 360                                                   |                                                |
| Deduct:                                                                        |                                                |
| Amount from line 400, 405, 410, or 425, whichever is the least                 | 90,174                                         |
| Foreign non-business<br>income tax credit<br>from line 632 x 25 / 9 =          |                                                |
| Foreign business                                                               |                                                |
| income tax credit 1(0.38 - X*)                                                 |                                                |
| from line 636                                                                  | 90,174 90,174                                  |
|                                                                                |                                                |
|                                                                                | x 26 2 / 3 % = D                               |
| Part I tax payable minus investment tax credit refund (line 700 minus line 780 | 9,919 <sub>E</sub>                             |
| Refundable portion of Part I tax – Amount C, D, or E, whichever is the leas    |                                                |
| * General rate reduction percentage for the tax year. It has to be pro-rated.  |                                                |
| □ Refundable dividend tax on hand □ □ □ □ □ □ □ □ □ □ □ □ □ □ □ □ □ □ □        |                                                |
| Refundable dividend tax on hand at the end of the previous tax year            | 460                                            |
| <b>Deduct:</b> Dividend refund for the previous tax year                       | 465                                            |
| Add the total of:                                                              | G                                              |
| Refundable portion of Part I tax from line 450 above                           |                                                |
|                                                                                | · · · · · · · · · · · · · · · · · · ·          |
| Net refundable dividend tax on hand transferred from a predecessor corpora     | ion on                                         |
|                                                                                | 480                                            |
|                                                                                | H                                              |
| Refundable dividend tax on hand at the end of the tax year - Amount G          | olus amount H                                  |
| <br>┌─ Dividend refund                                                         |                                                |
| Private and subject corporations at the time taxable dividends were pai        | l in the tax year                              |
| Taxable dividends paid in the tax year from line 460 of Schedule 3             | × 1 / 3 I                                      |
| Refundable dividend tax on hand at the end of the tax year from line 485 abo   | eJ                                             |
| ,                                                                              |                                                |

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| ┌ Part I tax ─────                                                                                                                                     |                                       |        |        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|--------|--------|
| Base amount of Part I tax – Taxable income (line 360 or amount Z, whichever applies) multiplied by Recapture of investment tax credit from Schedule 31 |                                       | 34,266 | A<br>B |
| Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investme<br>(if it was a CCPC throughout the tax year)      | ent income                            |        |        |
| Aggregate investment income from line 440                                                                                                              | i                                     |        |        |
| Taxable income from line 360                                                                                                                           |                                       |        |        |
| Deduct:                                                                                                                                                |                                       |        |        |
| Amount from line 400, 405, 410, or 425, whichever is the least                                                                                         |                                       |        |        |
| Net amount                                                                                                                                             | ii                                    |        |        |
| Refundable tax on CCPC's investment income – 6 2 / 3 % of whichever is less: amount i or ii                                                            |                                       |        | С      |
|                                                                                                                                                        | Subtotal ( <b>add</b> lines A to C) _ | 34,266 | D      |
| Deduct:                                                                                                                                                |                                       |        |        |
| Small business deduction from line 430                                                                                                                 | 15,330 1                              |        |        |
| Federal tax abatement 608                                                                                                                              | 9,017                                 |        |        |
| Manufacturing and processing profits deduction from Schedule 27                                                                                        |                                       |        |        |
| 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                                                                                  |                                       |        |        |
| General tax reduction for CCPCs from amount M                                                                                                          |                                       |        |        |
| General tax reduction from amount X 639                                                                                                                |                                       |        |        |
| Federal logging tax credit from Schedule 21    640                                                                                                     |                                       |        |        |
| Federal qualifying environmental trust tax credit    648                                                                                               |                                       |        |        |
| Investment tax credit from Schedule 31                                                                                                                 | 24.247                                | 24.247 |        |
| Subtotal =                                                                                                                                             | 24,347                                | 24,347 | Е      |
| Part I tax payable – Line D minus line E                                                                                                               |                                       | 9,919  | F      |
| Enter amount F on line 700.                                                                                                                            | =                                     |        | '      |
|                                                                                                                                                        |                                       |        |        |

| <ul> <li>Summary of tax and credits —<br/>Federal tax</li> </ul>            |                                                                                                |                                       |                              |             |
|-----------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|---------------------------------------|------------------------------|-------------|
|                                                                             |                                                                                                |                                       | 700 9,91                     | 19          |
| Part II surtax payable from Schedule 46                                     |                                                                                                |                                       | 700                          |             |
| Part III.1 tax payable from Schedule 55                                     |                                                                                                |                                       | 740                          |             |
| Part IV tax payable from Schedule 3                                         |                                                                                                |                                       | 740                          |             |
|                                                                             |                                                                                                |                                       | 740                          |             |
| Part IV.1 tax payable from Schedule 43                                      |                                                                                                |                                       | 700                          | —           |
| Part VI tax payable from Schedule 38                                        |                                                                                                |                                       | 704                          | —           |
| Part VI.1 tax payable from Schedule 43                                      |                                                                                                |                                       | 707                          |             |
| Part XIII.1 tax payable from Schedule 92                                    |                                                                                                |                                       | 728                          |             |
| Part XIV tax payable from Schedule 20<br>Add provincial or territorial tax: |                                                                                                |                                       | al federal tax9,91           | 19          |
|                                                                             | 750 ON                                                                                         |                                       |                              |             |
| (if more than one jurisdiction, enter "multip                               | e" and complete Schedule 5)                                                                    | 700                                   |                              |             |
| Net provincial or territorial tax payable (exc                              |                                                                                                |                                       | ł,505_                       |             |
| Provincial tax on large corporations (New I                                 | 3runswick* and Nova Scotia)                                                                    |                                       |                              | <b>.</b> -  |
|                                                                             |                                                                                                |                                       | <u>1,505</u> ► 4,50          |             |
| Deduct other credits:                                                       |                                                                                                | Total tax pa                          | ayable 770 14,42             | <u>24</u> A |
| Investment tax credit refund from Schedul                                   | e31                                                                                            |                                       |                              |             |
| Dividend refund                                                             |                                                                                                |                                       |                              |             |
| Federal capital gains refund from Schedul                                   | e 18                                                                                           | 788                                   |                              |             |
| Federal qualifying environmental trust tax of                               | credit refund                                                                                  |                                       |                              |             |
| Canadian film or video production tax cred                                  | it refund (Form T1131)                                                                         |                                       |                              |             |
| Film or video production services tax credi                                 | t refund (Form T1177)                                                                          |                                       |                              |             |
| Tax withheld at source                                                      |                                                                                                | 800                                   |                              |             |
| Total payments on which tax has been w                                      |                                                                                                |                                       |                              |             |
| Provincial and territorial capital gains refun                              |                                                                                                |                                       |                              |             |
| Provincial and territorial refundable tax cre                               |                                                                                                | 812                                   |                              |             |
| Tax instalments paid                                                        |                                                                                                |                                       | ł,000                        |             |
| ·                                                                           |                                                                                                | Total credits 890 24                  | 1,000 ► 24,00                | <b>ОО</b> В |
| Refund code 894 1 Overp                                                     | bayment9,576 -                                                                                 |                                       | inus line B)                 |             |
|                                                                             |                                                                                                | If the result is negative, yo         | u have an <b>overpayment</b> |             |
| Direct deposit request                                                      |                                                                                                | If the result is positive, you        | have a balance unpaid.       |             |
| To have the corporation's refund deposited                                  |                                                                                                | Enter the amount on which             | never line applies.          | Γ           |
| account at a financial institution in Canada                                | · · · · · · · · · · · · · · · · · · ·                                                          | Generally, we do not charge           | a or refund a difference     |             |
| already gave us, complete the information                                   |                                                                                                | of \$2 or less.                       |                              |             |
| Start Change information                                                    | 910                                                                                            |                                       |                              |             |
| 914                                                                         | Branch number 918                                                                              | Balance unpaid                        | · · · · · <                  | ┍┛          |
| Institution number                                                          | Account number                                                                                 | Enclosed payment                      | 898                          |             |
|                                                                             | private corporation throughout the tax year,                                                   |                                       |                              |             |
| does it qualify for the one-month extension                                 |                                                                                                |                                       | 396 1 Yes X 2 No             |             |
| * The New Brunswick tax on large corporation                                |                                                                                                |                                       |                              |             |
|                                                                             | <b>_</b>                                                                                       |                                       |                              |             |
| Certification                                                               |                                                                                                |                                       |                              |             |
|                                                                             | · · · · · · · · · · · · · · · · · · ·                                                          | · · · · · · · · · · · · · · · · · · · |                              |             |
| I, 950 BEAULNE                                                              | 951 RENÉ                                                                                       | 954 GÉRAN                             |                              |             |
| Last name in block lette                                                    |                                                                                                |                                       | Position, office, or rank    |             |
|                                                                             | poration. I certify that I have examined this re<br>e best of my knowledge, correct and comple |                                       |                              |             |
| 5                                                                           | bus year except as specifically disclosed in a                                                 |                                       |                              |             |
| 955 2011-07-26                                                              |                                                                                                |                                       | 956 (613) 679-4093           |             |
| Date (yyy/mm/dd)                                                            | Signature of the authorized signing offic                                                      |                                       | Telephone number             |             |
|                                                                             |                                                                                                | · · · ·                               |                              |             |
| 958                                                                         | orized signing officer? If <b>no</b> , complete the ir                                         |                                       | 959                          |             |
|                                                                             | Name in block letters                                                                          |                                       | Telephone number             |             |

#### - Language of correspondence – Langue de correspondance -Indicate your language of correspondence by entering 1 for English or 2 for French.

Indiquez votre langue de correspondence en inscrivant 1 pour anglais ou 2 pour français.

990

2

# **Schedule of Instalment Remittances**

Name of corporation contact

Telephone number

| Effective<br>interest date | Description (instalment remittance,<br>split payment, assessed credit)              | Amount of<br>credit |
|----------------------------|-------------------------------------------------------------------------------------|---------------------|
|                            |                                                                                     | 24,000              |
|                            |                                                                                     |                     |
|                            |                                                                                     |                     |
|                            |                                                                                     |                     |
|                            |                                                                                     |                     |
|                            |                                                                                     |                     |
|                            |                                                                                     |                     |
|                            |                                                                                     |                     |
|                            |                                                                                     |                     |
|                            |                                                                                     |                     |
|                            |                                                                                     |                     |
|                            | Total amount of instalments claimed (carry the result to line 840 of the T2 Return) | 24,000              |
|                            | Total instalments credited to the taxation year per T9                              | 24,000              |

| Transfer       |                      |             |                            |             |
|----------------|----------------------|-------------|----------------------------|-------------|
| Account number | Taxation<br>year end | Amount      | Effective<br>interest date | Description |
| From:          |                      |             |                            |             |
| То:            |                      |             |                            |             |
| From:          |                      |             |                            |             |
| То:            |                      |             |                            |             |
| From:          |                      |             |                            |             |
| То:            |                      |             |                            |             |
| From:          |                      |             |                            |             |
| То:            |                      |             |                            |             |
| From:          |                      |             |                            |             |
| То:            |                      |             |                            |             |
|                |                      | · · · · · · |                            |             |

| *       | Canada Revenue<br>Agency | Agence du revenu<br>du Canada |                                               | SCHEDULE 100                   |
|---------|--------------------------|-------------------------------|-----------------------------------------------|--------------------------------|
| Form id | entifier 100             |                               | GENERAL INDEX OF FINANCIAL INFORMATION – GIFI |                                |
| Name o  | f corporation            |                               | Business Number                               | Tax year end<br>Year Month Day |
| HYDR    | O 2000 INC.              |                               | 86595 5397 RC0001                             | 2010-12-31                     |
| HYDR    | O 2000 INC.              |                               | 86595 5397 RC0001                             |                                |

# **Balance sheet information**

| Account      | Description                                                 | GIFI     | Current year | Prior year |
|--------------|-------------------------------------------------------------|----------|--------------|------------|
| Assets –     |                                                             |          |              |            |
|              | _ Total current assets                                      | 1599 +   | 653,707      | 595,567    |
|              | _ Total tangible capital assets                             | 2008 +   | 875,819      | 813,111    |
|              | _ Total accumulated amortization of tangible capital assets | 2009 –   | 429,406      | 374,065    |
|              | _ Total intangible capital assets                           | 2178 +   | 4,639        | 4,639      |
|              | Total accumulated amortization of intangible capital assets | 2179 -   | 4,639        | 4,639      |
|              | Total long-term assets                                      | 2589 +   | 315,738      | 411,568    |
|              | _* Assets held in trust                                     | 2590 +   |              |            |
|              | _ Total assets (mandatory field)                            | 2599 = _ | 1,415,858    | 1,446,183  |
| Liabilitie   | S                                                           |          |              |            |
|              | _ Total current liabilities                                 | 3139 +   | 417,616      | 329,965    |
|              | _ Total long-term liabilities                               | 3450 +   | 292,830      | 383,636    |
|              | _* Subordinated debt                                        | 3460 +   |              |            |
|              | _* Amounts held in trust                                    | 3470 +   |              |            |
|              | _ Total liabilities (mandatory field)                       | 3499 =   | 710,446      | 713,60     |
| Shareho      | lder equity                                                 |          |              |            |
|              | _ Total shareholder equity (mandatory field)                | 3620 +   | 705,412      | 732,58     |
|              | _ Total liabilities and shareholder equity                  | 3640 =   | 1,415,858    | 1,446,183  |
| Retained     | earnings                                                    |          |              |            |
|              | Retained earnings/deficit – end (mandatory field)           | 3849 =   | 396,677      | 423,845    |
| Generic item |                                                             |          |              |            |

\* Generic item

| Cana<br>Agen   | ida Revenue Agence du revenu<br>icy du Canada                          |                  |                | SCHEDULE 125                   |
|----------------|------------------------------------------------------------------------|------------------|----------------|--------------------------------|
| Form identifie |                                                                        | TION - O         | GIFI           |                                |
| Name of corp   |                                                                        | Bu               | isiness Number | Tax year end<br>Year Month Day |
|                |                                                                        | 0650             | 95 5397 RC0001 | 2010-12-31                     |
| HYDRO 20       |                                                                        | 005              | 35 5397 RC0001 | 2010-12-31                     |
| Income st      | atement information                                                    |                  |                |                                |
| Description    | GIFI                                                                   |                  |                |                                |
| Operating nar  | ne 0001                                                                |                  |                |                                |
| -              | the operation 0002                                                     |                  |                |                                |
| Sequence Nu    | mber 0003 01                                                           |                  |                |                                |
| Account        | Description                                                            | GIFI             | Current year   | Prior year                     |
| - Income s     | tatement information                                                   |                  |                |                                |
|                | Total sales of goods and services                                      | 8089 +           | 1,935,728      | 2,418,649                      |
|                | Cost of sales                                                          | 8518 -           | 1,628,541      | 2,089,909                      |
|                | _ Gross profit/loss                                                    | 8519 =           | 307,187        | 328,740                        |
|                | Cost of sales                                                          | 8518 +           | 1,628,541      | 2,089,909                      |
|                | Total operating expenses                                               | 9367 +           | 372,199        | 347,773                        |
|                | <b>Total expenses</b> (mandatory field)                                | 9368 =           | 2,000,740      | 2,437,682                      |
|                | _ Total revenue (mandatory field)                                      | 8299 +           | 1,968,638      | 2,455,072                      |
|                | _ Total expenses (mandatory field)                                     | 9368 -           | 2,000,740      | 2,437,682                      |
|                | Net non-farming income                                                 | 9369 =           | -32,102        | 17,390                         |
| - Farming      | income statement information                                           |                  |                |                                |
|                | _ Total farm revenue (mandatory field)                                 | 9659 +           |                |                                |
|                | _ Total farm expenses (mandatory field)                                | 9898 –           |                |                                |
|                | _ Net farm income                                                      | 9899 =           |                |                                |
|                | Nat income/lease before toxes and extremylinemy items                  | 9970 =           | -32,102        | 17,390                         |
|                | _ Net income/loss before taxes and extraordinary items                 | 5510             | 52,102         |                                |
|                | _ Total other comprehensive income                                     | 9998 =           |                |                                |
| Extraord       | inary itoms and income (linked to Schedule 140)                        |                  |                |                                |
|                | inary items and income (linked to Schedule 140)  Extraordinary item(s) | 9975 –           |                |                                |
|                | _ Extraordinary item(s)                                                | 9975 -<br>9976 - |                |                                |
|                | _ Legal settlements Unrealized gains/losses                            | 9980 +           |                |                                |
|                |                                                                        | 9985 -           |                |                                |
|                | Current income taxes                                                   | 9990 -           | 14,424         | 10,221                         |
|                | Deferred income tax provision                                          | 9995 —           | -19,358        | -7,410                         |
|                | _ Total – Other comprehensive income                                   | 9998 +           |                |                                |
|                | Net income/loss after taxes and extraordinary items (mandatory field)  | 9999 =           | -27,168        | 14,579                         |



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# **SCHEDULE 141**

#### **NOTES CHECKLIST**

| Corporation's name                                                                                                                                                                                                                                                                                                                                 | Business Number                 | Tax year-end<br>Year Month Day |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|--------------------------------|
| HYDRO 2000 INC.                                                                                                                                                                                                                                                                                                                                    | 86595 5397 RC0001               | 2010-12-31                     |
| <ul> <li>Parts 1, 2, and 3 of this schedule must be completed from the perspective of the person (referred to in thes who prepared or reported on the financial statements.</li> <li>For more information, see Guide RC4088, <i>General Index of Financial Information (GIFI) for Corporations a T2 Corporation – Income Tax Guide</i>.</li> </ul> | . ,                             |                                |
| <ul> <li>Complete this schedule, and include it with your T2 return along with the other GIFI schedules.</li> </ul>                                                                                                                                                                                                                                |                                 |                                |
| If the person preparing the tax return is not the accountant referred to above, they must still complete Parts 1, 2                                                                                                                                                                                                                                | 2, 3, and 4, as applicable.     |                                |
|                                                                                                                                                                                                                                                                                                                                                    |                                 |                                |
| Part 1 – Information on the accountant preparing or reporting on the financia                                                                                                                                                                                                                                                                      | I statements                    |                                |
| Does the accountant have a professional designation?                                                                                                                                                                                                                                                                                               | 09                              | 5 1 Yes X 2 No                 |
| Is the accountant connected* with the corporation?                                                                                                                                                                                                                                                                                                 | 09                              | 7 1 Yes 2 No X                 |
| * A person connected with a corporation can be: (i) a shareholder of the corporation who owns more than 10 (ii) a director, an officer, or an employee of the corporation; or (iii) a person not dealing at arm's length with                                                                                                                      |                                 |                                |
| <b>Note:</b> If the accountant does not have a professional designation <b>or</b> is connected to the corporation, you do Parts 2 and 3 of this schedule. However, you do have to complete Part 4, as applicable.                                                                                                                                  | not have to complete            |                                |
| Part 2 – Type of involvement with the financial statements ————                                                                                                                                                                                                                                                                                    |                                 |                                |
| Choose the option that represents the highest level of involvement of the accountant:                                                                                                                                                                                                                                                              | 19                              | 0                              |
| Completed an auditor's report                                                                                                                                                                                                                                                                                                                      |                                 |                                |
| Completed a review engagement report                                                                                                                                                                                                                                                                                                               |                                 |                                |
| Conducted a compilation engagement                                                                                                                                                                                                                                                                                                                 |                                 |                                |
|                                                                                                                                                                                                                                                                                                                                                    |                                 |                                |
| Part 3 – Reservations                                                                                                                                                                                                                                                                                                                              |                                 |                                |
| If you selected option "1" or "2" under Type of involvement with the financial statements above, answer the                                                                                                                                                                                                                                        | he following question:          |                                |
| Has the accountant expressed a reservation?                                                                                                                                                                                                                                                                                                        |                                 | 9 1 Yes 2 No X                 |
| Part 4 – Other information ————————————————————————————————————                                                                                                                                                                                                                                                                                    |                                 |                                |
| If you have a professional designation and are not the accountant associated with the financial statements in F                                                                                                                                                                                                                                    | Part 1 above, choose one of the | 0 1                            |
| Prepared the tax return (financial statements prepared by client)                                                                                                                                                                                                                                                                                  |                                 |                                |
| Prepared the tax return and the financial information contained therein (financial statements have not been pre                                                                                                                                                                                                                                    | epared) 2                       |                                |
| Were notes to the financial statements prepared?                                                                                                                                                                                                                                                                                                   |                                 | 1 1 Yes 2 No X                 |
| If <b>yes</b> , complete lines 102 to 107 below:                                                                                                                                                                                                                                                                                                   |                                 |                                |
| Are any values presented at other than cost?                                                                                                                                                                                                                                                                                                       |                                 | 2 1 Yes 2 No                   |
| Has there been a change in accounting policies since the last return?                                                                                                                                                                                                                                                                              |                                 | 3 1 Yes 2 No                   |
| Are subsequent events mentioned in the notes?                                                                                                                                                                                                                                                                                                      |                                 | 4 1 Yes 2 No                   |
| Is re-evaluation of asset information mentioned in the notes?                                                                                                                                                                                                                                                                                      |                                 | 5 1 Yes 2 No                   |
| Is contingent liability information mentioned in the notes?                                                                                                                                                                                                                                                                                        |                                 | 6 1 Yes 2 No                   |
| Is information regarding commitments mentioned in the notes?                                                                                                                                                                                                                                                                                       |                                 | 7 1 Yes 2 No                   |
| Does the corporation have investments in joint venture(s) or partnership(s)?                                                                                                                                                                                                                                                                       |                                 | 8 1 Yes 2 No X                 |
| If yes, complete line 109 below:                                                                                                                                                                                                                                                                                                                   |                                 |                                |
| Are you filing financial statements of the joint venture(s) or partnership(s)?                                                                                                                                                                                                                                                                     |                                 | 9 1 Yes 2 No                   |
| T2 SCH 141 (08)                                                                                                                                                                                                                                                                                                                                    |                                 | Canadä                         |

# SCHEDULE 100

# **GENERAL INDEX OF FINANCIAL INFORMATION – GIFI**

| Form identifier 100 |                   |                                |
|---------------------|-------------------|--------------------------------|
| Name of corporation | Business Number   | Tax year-end<br>Year Month Day |
| HYDRO 2000 INC.     | 86595 5397 RC0001 | 2010-12-31                     |

# Assets - lines 1000 to 2599

| 1002        | 375,082              | 1062 | 251,920 | 1063 | -9,130    |
|-------------|----------------------|------|---------|------|-----------|
| 1483        | 9,576                | 1484 | 26,259  | 1599 | 653,707   |
| 1774        | 126,245              | 1775 | -64,430 | 1783 | 893,216   |
| 1784        | -382,826             | 1787 | 4,620   | 1788 | -3,334    |
| 1900        | -148,262             | 1901 | 21,184  | 2008 | 875,819   |
| 2009        | -429,406             | 2018 | 4,639   | 2019 | -4,639    |
| 2178        | 4,639                | 2179 | -4,639  | 2421 | 12,672    |
| 2424        | 303,066              | 2589 | 315,738 | 2599 | 1,415,858 |
| Liabilities | – lines 2600 to 3499 |      |         |      |           |
| 2621        | 144,283              | 2920 | 57,779  | 2960 | 215,554   |
| 3139        | 417,616              | 3262 | 151,282 | 3320 | 141,548   |
| 3450        | 292,830              | 3499 | 710,446 |      |           |

#### Shareholder equity - lines 3500 to 3640

| 3500<br>3640  | <u>308,735</u><br>1,415,858 | 3600 | 396,677 | 3620 | 705,412 |
|---------------|-----------------------------|------|---------|------|---------|
| Retained earn | ings – lines 3660 to 3      | 849  |         |      |         |

3660

423,845

3680

-27,168

**3849** 396,677

# SCHEDULE 125

# **GENERAL INDEX OF FINANCIAL INFORMATION – GIFI**

| Form identifier | 125                         |              |           |                   |                                |
|-----------------|-----------------------------|--------------|-----------|-------------------|--------------------------------|
| Name of corpo   | pration                     |              |           | Business Number   | Tax year-end<br>Year Month Day |
| HYDRO 200       | 00 INC.                     |              |           | 86595 5397 RC0001 | 2010-12-31                     |
| Revenue –       | lines 8000 to 8299          |              |           |                   |                                |
| 8000            | 1,935,728                   | 8089         | 1,935,728 | 8230              | 32,910                         |
| 8299            | 1,968,638                   |              |           |                   |                                |
| Cost of sal     | es – lines 8300 to 8519     |              |           |                   |                                |
| 8320            | 1,628,541                   | 8518         | 1,628,541 | 8519              |                                |
| Operating       | expenses – lines 8520 to 9  | 369          |           |                   |                                |
| 8670            | 55,341                      | 9284         | 316,858   | 9367              | 372,199                        |
| 9368            | 2,000,740                   | 9369         | -32,102   |                   |                                |
| Farming re      | venue – lines 9370 to 9659  |              |           |                   |                                |
| 9659            | 0                           |              |           |                   |                                |
| Farming ex      | penses – lines 9660 to 989  | 99           |           |                   |                                |
| 9898            | 0                           |              |           |                   |                                |
| Extraordina     | ary items and taxes – lines | 9970 to 9999 |           |                   |                                |
| 9970            | -32,102                     | 9990         | 14,424    | 9995              | -19,358                        |
| 9999            | -27,168                     |              |           |                   |                                |

| *          | Canada Revenue<br>Agency | Agence du revenu<br>du Canada | NET INCOME (LOSS) FOR INCO                              | ME TAX PURPOSES                   | SCHEDULE 1                   |
|------------|--------------------------|-------------------------------|---------------------------------------------------------|-----------------------------------|------------------------------|
| Corpor     | ation's name             |                               |                                                         | Business Number                   | Tax year end                 |
| нур        | RO 2000 INC.             |                               |                                                         | 86595 5397 RC0001                 | Year Month Day<br>2010-12-31 |
|            |                          | adula ia ta provida a raa     | onciliation between the corporation's net income (loss) |                                   |                              |
|            |                          |                               | ormation, see the T2 Corporation Income Tax Guide.      | as reported on the infancial star |                              |
| Sect       | tions, subsections,      | and paragraphs referred       | to on this schedule are from the Income Tax Act.        |                                   |                              |
| Amoun      | t calculated on line     | 9999 from Schedule 125        | 5                                                       |                                   | <del></del>                  |
| Add:       |                          |                               |                                                         |                                   |                              |
| Provis     | sion for income taxe     | es – current                  |                                                         |                                   |                              |
| Provis     | sion for income taxe     | es – deferred                 |                                                         | · · · · · ·                       |                              |
| Amor       | tization of tangible a   | assets                        |                                                         |                                   |                              |
|            |                          |                               | Subtotal of additions                                   | 50,407                            | 50,407                       |
| Othe       | r additions:             |                               |                                                         |                                   |                              |
| Misce      | ellaneous oth            | er additions:                 |                                                         |                                   |                              |
| 600        | Recouvrements, v         | ariations et dépenses da      | · •                                                     | 90 149,381                        |                              |
| 602<br>604 | Caisse @ exercice        | e déc 2009                    | 29                                                      | 92 71,432                         |                              |
| 004        |                          |                               | Total 29                                                | 94                                |                              |
|            |                          |                               | Subtotal of other additions 19                          | 220,813                           | 220,813                      |
|            |                          |                               | Total additions 50                                      | 271,220                           | 271,220                      |
| Dedu       | ct:                      |                               |                                                         |                                   |                              |
| Capita     | al cost allowance fr     | om Schedule 8                 |                                                         | 75,501                            |                              |
| Cumu       | lative eligible capita   | al deduction from Schedu      | ule 10                                                  | 05 134                            |                              |
|            |                          |                               | Subtotal of deduction                                   | ns 75,635 ►                       | 75,635                       |
| Othe       | r deductions:            |                               |                                                         |                                   |                              |
| Misce      | ellaneous oth            | er deductions:                |                                                         |                                   |                              |
| 700        | Intérêts sur autre       | s actifs/passifs              | 39                                                      | 1,041                             |                              |
| 701        | Caisse @ exercice        | e déc 2010                    | 39                                                      | 91 77,202                         |                              |
| 704        |                          |                               |                                                         |                                   |                              |
|            |                          |                               | Total 39                                                |                                   | 70.242                       |
|            |                          |                               | Subtotal of other deductions                            |                                   | 78,243                       |
|            |                          |                               | Total deductions 5                                      |                                   | <u> </u>                     |
| Net inc    | come (loss) for inc      | come tax purposes – er        | nter on line 300 of the T2 return                       |                                   |                              |
|            |                          |                               |                                                         |                                   | Canada                       |

T2 SCH 1 E (10)

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**SCHEDULE 5** 

Tax year-end Year Month Day 2010-12-31

| *                         | Canada Revenue<br>Agency | Agence du revenu<br>du Canada<br>TAX CALCULATION                                                                                               | SUPPLEMENTARY – CORPORATIONS       |
|---------------------------|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|
| Corporat                  | tion's name              |                                                                                                                                                | Business Number                    |
| HYDR                      | O 2000 INC.              |                                                                                                                                                | 86595 5397 RC0001                  |
| • Use th                  | his schedule if, du      | ing the tax year, the corporation:                                                                                                             |                                    |
| (                         | corporations that I      | stablishment in more than one jurisdiction<br>ave no taxable income should only complete<br>al or territorial tax credits or rebates (see Parl |                                    |
| — h                       | nas to pay taxes, o      | her than income tax, for Newfoundland and L                                                                                                    | _abrador, or Ontario (see Part 2). |
| <ul> <li>Regul</li> </ul> | lations mentioned        | n this schedule are from the Income Tax Reg                                                                                                    | gulations.                         |
| <ul> <li>Балия</li> </ul> | ore information, s       | e the T2 Corporation – Income Tax Guide.                                                                                                       |                                    |
| <ul> <li>For m</li> </ul> |                          | In a star final of A A A A A A A A A A A A A A A A A A                                                                                         |                                    |
|                           | the regulation nur       | iber in field 100 of Part 1.                                                                                                                   |                                    |
| <ul> <li>Enter</li> </ul> | 0                        | of taxable income                                                                                                                              |                                    |

| 100                                                                                   |                                  |                                                  |                               | _ Enter the regulation that app | 1000 (402 (0.413)).           |                                                                                                         |
|---------------------------------------------------------------------------------------|----------------------------------|--------------------------------------------------|-------------------------------|---------------------------------|-------------------------------|---------------------------------------------------------------------------------------------------------|
| Α                                                                                     |                                  | В                                                | С                             | D                               | E                             | F                                                                                                       |
| Jurisdict<br>Tick yes if the c<br>had a perm<br>establishmer<br>jurisdiction during t | orporation<br>anent<br>it in the | Total salaries and wages<br>paid in jurisdiction | (B x taxable<br>income**) / G | Gross revenue                   | (D x taxable<br>income**) / H | Allocation of taxable<br>income (C + E) x 1/2<br>(where either G or H is<br>nil, do not multiply by 1/2 |
| Newfoundland<br>and Labrador                                                          | 003<br>1 Yes                     | 103                                              |                               | 143                             |                               |                                                                                                         |
| Newfoundland and<br>Labrador offshore                                                 | 004<br>1 Yes                     | 104                                              |                               | 144                             |                               |                                                                                                         |
| Prince Edward<br>sland                                                                | 005<br>1 Yes                     | 105                                              |                               | 145                             |                               |                                                                                                         |
| Nova Scotia                                                                           | 007<br>1 Yes                     | 107                                              |                               | 147                             |                               |                                                                                                         |
| Nova Scotia<br>offshore                                                               | 008<br>1 Yes                     | 108                                              |                               | 148                             |                               |                                                                                                         |
| New<br>Brunswick                                                                      | 009<br>1 Yes                     | 109                                              |                               | 149                             |                               |                                                                                                         |
| Quebec                                                                                | 011<br>1 Yes                     | 111                                              |                               | 151                             |                               |                                                                                                         |
| Ontario                                                                               | 013<br>1 Yes                     | 113                                              |                               | 153                             |                               |                                                                                                         |
| Manitoba                                                                              | 015<br>1 Yes                     | 115                                              |                               | 155                             |                               |                                                                                                         |
| Saskatchewan                                                                          | 017<br>1 Yes                     | 117                                              |                               | 157                             |                               |                                                                                                         |
| Alberta                                                                               | 019<br>1 Yes                     | 119                                              |                               | 159                             |                               |                                                                                                         |
| British<br>Columbia                                                                   | 021<br>1 Yes                     | 121                                              |                               | 161                             |                               |                                                                                                         |
| Yukon                                                                                 | 023<br>1 Yes                     | 123                                              |                               | 163                             |                               |                                                                                                         |
| Northwest<br>Territories                                                              | 025<br>1 Yes                     | 125                                              |                               | 165                             |                               |                                                                                                         |
| Nunavut                                                                               | 026<br>1 Yes                     | 126                                              |                               | 166                             |                               |                                                                                                         |
| Outside<br>Canada                                                                     | 027<br>1 Yes                     | 127                                              |                               | 167                             |                               |                                                                                                         |
| Total                                                                                 |                                  | <u>129</u> G                                     |                               | <u>169</u> H                    |                               |                                                                                                         |

\* "Permanent establishment" is defined in Regulation 400(2).

\*\* Starting in 2009, if the corporation has income or loss from an international banking centre; the taxable income is the amount on line 360 or line Z of the T2 return **plus** the total amount not required to be included, or **minus** the total amount not allowed to be deducted, in calculating the corporation's income under section 33.1 of the federal *Income Tax Act*. **Notes:** 

 After determining the allocation of taxable income, you have to calculate the corporation's provincial or territorial tax payable. For more information on how to calculate the tax for each province or territory, see the instructions for Schedule 5 in the T2 Corporation – Income Tax Guide.

2. If the corporation has provincial or territorial tax payable, complete Part 2.

T2 SCH 5 E (10)

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# $_{\Box}$ Part 2 – Ontario tax payable, tax credits, and rebates –

| Total taxable<br>income   | Income eligible<br>for small business<br>deduction | Provincial or<br>territorial allocation<br>of taxable income | Provincial or<br>territorial tax<br>payable before<br>credits |                               |                             |      |         |
|---------------------------|----------------------------------------------------|--------------------------------------------------------------|---------------------------------------------------------------|-------------------------------|-----------------------------|------|---------|
| 90,174                    | 90,174                                             | 90,174                                                       | 4,50                                                          | 5                             |                             |      |         |
| Ontario basic incom       | e tax (from Schedule                               | 500)                                                         |                                                               | 270                           | 11,715                      |      |         |
| Deduct: Ontorio amol      | Il business deduction (                            | from appedula 500)                                           |                                                               | 402                           | 7,210                       |      |         |
| Deduct. Ontano smai       |                                                    | from schedule 500)                                           |                                                               | negative, enter "0")          | 4,505                       |      | 4,505 / |
| Add:                      |                                                    |                                                              |                                                               |                               |                             |      |         |
|                           | nall business deductio                             | n (from Schedule 500)                                        |                                                               |                               |                             |      |         |
|                           | ax re Crown royalties (f                           | · ,                                                          |                                                               |                               |                             |      |         |
|                           | tax debits (from Sched                             |                                                              |                                                               | 276                           |                             |      |         |
| Recapture of Ontari       | o research and develo                              | pment tax credit (from S                                     | chedule 508) .                                                | 277                           |                             |      |         |
|                           |                                                    |                                                              |                                                               | Subtotal                      |                             | ▶    | E       |
|                           |                                                    |                                                              |                                                               | Subtotal (am                  | iount A6 <b>plus</b> amount | B6)  | 4,505 0 |
| Deduct:                   |                                                    |                                                              |                                                               |                               |                             |      | · ·     |
|                           | x credit (from Schedule                            | e 504)                                                       |                                                               |                               |                             |      |         |
| Ontario tax credit fo     | r manufacturing and p                              | rocessing (from Schedu                                       | le 502)                                                       | 406                           |                             |      |         |
| Ontario foreign tax o     | credit (from Schedule 2                            | ,                                                            |                                                               |                               |                             |      |         |
| Ontario credit union      | tax reduction (from So                             | chedule 500)                                                 |                                                               |                               |                             |      |         |
| Ontario transitional      | tax credits (from Scheo                            | dule 506)                                                    |                                                               |                               |                             |      |         |
| Ontario political con     | tributions tax credit (fro                         | om Schedule 525)                                             |                                                               | 415                           |                             |      |         |
|                           |                                                    |                                                              |                                                               | Subtotal                      |                             | ▶    | [       |
|                           |                                                    |                                                              | Subtotal (am                                                  | ount C6 minus amount          | D6) (if negative, enter     | "0") | 4,505 E |
| Doduct: Optaria roso      | arch and dovelopment                               | tax credit (from Schedu                                      | ,<br>10 508)                                                  |                               |                             | 416  |         |
|                           | •                                                  | ,                                                            | ,                                                             |                               | -                           |      |         |
| (if negative, enter "0")  |                                                    |                                                              |                                                               | ount E6 <b>minus</b> amount o |                             |      | 4,505 F |
| (                         |                                                    |                                                              |                                                               |                               |                             |      |         |
| Deduct: Ontario corpo     | orate minimum tax cree                             | dit (from schedule 510)                                      |                                                               |                               |                             | 418  |         |
| Ontario corporate inco    | ome tax payable (amou                              | nt F6 <b>minus</b> amount on                                 | line 418) (if negativ                                         | ve, enter "0")                |                             |      | 4,505 0 |
| Add:                      |                                                    |                                                              |                                                               |                               |                             |      |         |
| Ontario corporate m       | ninimum tax (from Sche                             | edule 510)                                                   |                                                               |                               |                             |      |         |
| Ontario special addi      | itional tax on life insura                         | nce corporations (from                                       | Schedule 512) .                                               |                               |                             |      |         |
| Ontario capital tax (1    | from Schedule 514 or                               | Schedule 515, whicheve                                       | er applies)                                                   |                               |                             |      |         |
|                           |                                                    |                                                              |                                                               | Subtotal                      |                             | ►    | ŀ       |
| Total Ontario tax paya    | ble before refundable o                            | credits (amount G6 <b>plus</b>                               | amount H6)                                                    |                               |                             |      | 4,505 । |
| Deduct:                   |                                                    |                                                              |                                                               |                               |                             |      |         |
|                           | nvironmental trust tax o                           | redit                                                        |                                                               | 450                           |                             |      |         |
|                           | e education tax credit (1                          |                                                              |                                                               |                               |                             |      |         |
| Ontario apprentices       | hip training tax credit (                          | from Schedule 552)                                           |                                                               | 454                           |                             |      |         |
| Ontario computer ar       | nimation and special ef                            | fects tax credit (from So                                    | chedule 554)                                                  |                               |                             |      |         |
| Ontario film and tele     | evision tax credit (from                           | Schedule 556)                                                |                                                               | 458                           |                             |      |         |
| Ontario production s      | services tax credit (fror                          | n Schedule 558) .                                            |                                                               |                               |                             |      |         |
| Ontario interactive d     | ligital media tax credit (                         | (from Schedule 560)                                          |                                                               |                               |                             |      |         |
|                           | rding tax credit (from S                           |                                                              |                                                               |                               |                             |      |         |
| •                         | hing tax credit (from So                           | •                                                            |                                                               |                               |                             |      |         |
|                           | ax credit (from Schedu                             |                                                              |                                                               |                               |                             |      |         |
|                           |                                                    | edit (from Schedule 568)                                     | )                                                             |                               |                             |      |         |
| Other Ontario tax cr      | ealts                                              |                                                              |                                                               | 0                             |                             |      |         |
|                           |                                                    |                                                              |                                                               | Subtotal                      |                             |      |         |
| Net Ontario tax paya      | able or refundable cro                             | edit (amount 16 minus a                                      | amount J6)                                                    |                               |                             | 290  | 4,505 k |
| (if a credit, enter a neg | gative amount) Include                             | this amount on line 255                                      |                                                               |                               |                             |      |         |

| – Summary – – – – – – – – – – – – – – – – – – –                                                                          |       |       |  |  |  |  |  |
|--------------------------------------------------------------------------------------------------------------------------|-------|-------|--|--|--|--|--|
| Summary                                                                                                                  |       |       |  |  |  |  |  |
| Enter the total net tax payable or refundable credits for all provinces and territories on line 255.                     |       |       |  |  |  |  |  |
|                                                                                                                          |       |       |  |  |  |  |  |
| Net provincial and territorial tax payable or refundable credits                                                         | 255 4 | 4,505 |  |  |  |  |  |
| ······································                                                                                   |       |       |  |  |  |  |  |
| If the amount on line 255 is positive, enter the net provincial and territorial tax payable on line 760 of the T2 return |       |       |  |  |  |  |  |

If the amount on line 255 is positive, enter the net provincial and territorial tax payable on line 760 of the 12 return. If the amount on line 255 is negative, enter the net provincial and territorial refundable tax credits on line 812 of the T2 return. Canada Revenue

Agency

SCHEDULE 8

# CAPITAL COST ALLOWANCE (CCA)

2 No X

| Name of corporation | Business Number   | Tax year end<br>Year Month Day |
|---------------------|-------------------|--------------------------------|
| HYDRO 2000 INC.     | 86595 5397 RC0001 | 2010-12-31                     |

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

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1 Yes

Is the corporation electing under regulation 1101(5q)?

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| 1<br>Cla<br>num<br>(Se<br>Noi | er                             | 2<br>Undepreciated<br>capital cost at<br>the beginning<br>of the year<br>(undepreciated<br>capital cost at<br>the end of last<br>year) | 3<br>Cost of<br>acquisitions<br>during the year<br>(new property<br>must be<br>available<br>for use)* | 4<br>Net<br>adjustments** | 5<br>Proceeds of<br>dispositions<br>during the year<br>(amount not to<br>exceed the<br>capital cost) | 6<br>50% rule (1/2<br>of the amount,<br>if any, by which<br>the net cost<br>of acquisitions<br>exceeds<br>column 5)*** | 7<br>Reduced<br>undepreciated<br>capital cost | 8<br>CCA<br>rate<br>% | 9<br>Recapture of<br>capital cost<br>allowance<br>(line 107 of<br>Schedule 1) | 10<br>Terminal loss<br>(line 404 of<br>Schedule 1) | 11<br>Capital cost<br>allowance<br>(column 7<br><b>multiplied</b><br>by column 8;<br>or a lower<br>amount)<br>(line 403 of<br>Schedule 1)**** | 12<br>Undepreciated<br>capital cost<br>at the end of<br>the year<br>(column 6<br><b>plus</b> column 7<br><b>minus</b><br>column 11) |
|-------------------------------|--------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|---------------------------|------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|-----------------------|-------------------------------------------------------------------------------|----------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| 20                            |                                | 201                                                                                                                                    | 203                                                                                                   | 205                       | 207                                                                                                  | 211                                                                                                                    |                                               | 212                   | 213                                                                           | 215                                                | 217                                                                                                                                           | 220                                                                                                                                 |
| 1. 1                          | Équip distr. > 1987            | 182,724                                                                                                                                |                                                                                                       |                           | 0                                                                                                    |                                                                                                                        | 182,724                                       | 4                     | 0                                                                             | 0                                                  | 7,309                                                                                                                                         | 175,415                                                                                                                             |
| 2. 2                          | Équip Distr < 1988             | 187,397                                                                                                                                |                                                                                                       |                           | 0                                                                                                    |                                                                                                                        | 187,397                                       | 6                     | 0                                                                             | 0                                                  | 11,244                                                                                                                                        | 176,153                                                                                                                             |
| 3. 8                          | Équip de bureau                | 1,746                                                                                                                                  | 462                                                                                                   |                           | 0                                                                                                    | 231                                                                                                                    | 1,977                                         | 20                    | 0                                                                             | 0                                                  | 395                                                                                                                                           | 1,813                                                                                                                               |
| 4. 10                         | Ordinateur                     | 1,244                                                                                                                                  |                                                                                                       |                           | 0                                                                                                    |                                                                                                                        | 1,244                                         | 30                    | 0                                                                             | 0                                                  | 373                                                                                                                                           | 871                                                                                                                                 |
| 5. 1                          | Logiciels                      | 1,023                                                                                                                                  | 18,986                                                                                                |                           | 0                                                                                                    |                                                                                                                        | 20,009                                        | 100                   | 0                                                                             | 0                                                  | 20,009                                                                                                                                        |                                                                                                                                     |
| 6. 4                          | Équipements informatique       | 841                                                                                                                                    |                                                                                                       |                           | 0                                                                                                    |                                                                                                                        | 841                                           | 45                    | 0                                                                             | 0                                                  | 378                                                                                                                                           | 463                                                                                                                                 |
| 7. 5                          | Équipements informatiques > 18 | 1,623                                                                                                                                  |                                                                                                       |                           | 0                                                                                                    |                                                                                                                        | 1,623                                         | 55                    | 0                                                                             | 0                                                  | 893                                                                                                                                           | 730                                                                                                                                 |
| 8. 4                          | Équipement distribution        | 322,968                                                                                                                                | 48,248                                                                                                |                           | 0                                                                                                    | 24,124                                                                                                                 | 347,092                                       | 8                     | 0                                                                             | 0                                                  | 27,767                                                                                                                                        | 343,449                                                                                                                             |
| 9. 5                          |                                |                                                                                                                                        | 7,133                                                                                                 |                           | 0                                                                                                    |                                                                                                                        | 7,133                                         | 100                   | 0                                                                             | 0                                                  | 7,133                                                                                                                                         |                                                                                                                                     |
|                               | Total                          | 699,566                                                                                                                                | 74,829                                                                                                |                           |                                                                                                      | 24,355                                                                                                                 | 750,040                                       |                       |                                                                               |                                                    | 75,501                                                                                                                                        | 698,894                                                                                                                             |

Note: Class numbers followed by a letter indicate the basic rate of the class taking into account the additional deduction allowed. Class 1a: 4% + 6% = 10% (class 1 to 10%), class 1b: 4% + 2% = 6% (class 1 to 6%).

\* 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).

\*\* Include amounts transferred under section 85, or on amalgamation and winding-up of a subsidiary. See the *T2 Corporation Income Tax Guide* for other examples of adjustments to include in column 4.

\*\*\* The net cost of acquisitions is the cost of acquisitions (column 3) plus or minus certain adjustments from column 4. For exceptions to the 50% rule, see Interpretation Bulletin IT-285, *Capital Cost Allowance – General Comments*.

\*\*\*\* If the tax year is shorter than 365 days, prorate the CCA claim. Some classes of property do not have to be prorated. See the *T2 Corporation Income Tax Guide* for more information.

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|                         | anada Revenue Agence du revenu<br>jency du Canada                                                                                                                                                                                                                             |                          | SCHEDULE 1                     |
|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------------|
|                         | CUMULATIVE ELIGIBLE CAPITAL DEDUC                                                                                                                                                                                                                                             | CTION                    |                                |
| Name of co              | prporation                                                                                                                                                                                                                                                                    | Business Number          | Tax year end<br>Year Month Day |
| HYDRO                   | 2000 INC.                                                                                                                                                                                                                                                                     | 86595 5397 RC0001        | 2010-12-31                     |
|                         | e by a corporation that has eligible capital property. For more information, see the rate cumulative eligible capital account must be kept for each business.                                                                                                                 | T2 Corporation Income Ta | ax Guide.                      |
|                         | Part 1 – Calculation of current year deduction and                                                                                                                                                                                                                            | I carry-forward ——       |                                |
| Cumulati<br>Add:        | ive eligible capital - Balance at the end of the preceding taxation year (if nega         Cost of eligible capital property acquired         during the taxation year       222         Other adjustments       226         Subtotal (line 222 plus line 226)       x 3 / 4 = |                          | <u>1,913</u> /                 |
|                         | Non-taxable portion of a non-arm's length<br>transferor's gain realized on the transfer<br>of an eligible capital property to the<br>corporation after December 20, 2002                                                                                                      |                          |                                |
|                         | amount B minus amount C (if negative, enter "0")                                                                                                                                                                                                                              |                          | [                              |
|                         | Amount transferred on amalgamation or wind-up of subsidiary Subtotal (add ar                                                                                                                                                                                                  |                          | I<br>                          |
| Deduct:                 | Proceeds of sale (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)         Other adjustments         246                                                                                                                    | н                        |                                |
|                         | (add amounts G,H, and I)                                                                                                                                                                                                                                                      | I<br>x 3/4 = <b>24</b> 8 | l .                            |
|                         | t K is negative, enter "0" at line M and proceed to Part 2)                                                                                                                                                                                                                   |                          |                                |
| Cumulativ<br>that busin | ve eligible capital for a property no longer owned after ceasing to carry on<br>ness                                                                                                                                                                                          |                          |                                |
|                         | less amount from line 249                                                                                                                                                                                                                                                     |                          |                                |
| Current y               | year deduction $1,913 \times 7.00\% = 250$                                                                                                                                                                                                                                    |                          | 101                            |
| <b>.</b>                | (line 249 plus line 250) (enter this amount at line 405 of Schedule 1)<br>ive eligible capital – Closing balance (amount K minus amount L) (if negative, e                                                                                                                    |                          | <u>134</u><br>1,779            |

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Cumulative eligible capital – Closing balance (amount K minus amount L) (if negative, enter "0") ..... 300 \_\_\_\_\_\* \* 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 arisin<br>(complete this part only if the amount at line K                                                                                                                             |           |    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|----|
| Amount from line K (show as positive amount)                                                                                                                                                                                    |           | N  |
| Total of cumulative eligible capital (CEC) deductions from income for taxation years         beginning after June 30, 1988                                                                                                      | 400 1     |    |
| Total of all amounts which reduced CEC in the current or prior years under subsection 80(7)                                                                                                                                     | 401 2     | 2  |
| Total of CEC deductions claimed for taxation years         beginning before July 1, 1988                                                                                                                                        | 3         |    |
| Negative balances in the CEC account that were included in income for taxation years beginning before July 1, 1988       408                                                                                                    | 4         |    |
| Line 3 minus line 4 (if negative, enter "0")                                                                                                                                                                                    | ▶ 5       | 5  |
| Total of lines 1, 2 and 5                                                                                                                                                                                                       | 6         | 6  |
| Amounts included in income under paragraph 14(1)(b), as<br>that paragraph applied to taxation years ending after June<br>30, 1988 and before February 28, 2000, to the extent that<br>it is for an amount described at line 400 | 7         |    |
| Amounts at line T from Schedule 10 of previous taxation years                                                                                                                                                                   |           |    |
| ending after February 27, 2000                                                                                                                                                                                                  | 8         |    |
| Subtotal (line 7 plus line 8) 409                                                                                                                                                                                               | ► g       | )  |
| Line 6 minus line 9 (if negative, enter "0")                                                                                                                                                                                    | · · · · Þ | •0 |
| Line N minus line O (if negative, enter "0")                                                                                                                                                                                    |           | P  |
| Line 5                                                                                                                                                                                                                          | × 1/2 =   | Q  |
| Line P minus line Q (if negative, enter "0")                                                                                                                                                                                    |           | R  |
|                                                                                                                                                                                                                                 | x 2/3 =   | S  |
| Amount N or amount O, whichever is less <b>Amount to be included in income</b> (amount S plus amount T) (enter this amount on lin                                                                                               |           | T  |





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# **SCHEDULE 50**

# SHAREHOLDER INFORMATION

2010-12-31

| Name of corporation | Business Number   | Tax year end<br>Year Month Day |
|---------------------|-------------------|--------------------------------|
| HYDRO 2000 INC.     | 86595 5397 RC0001 | 2010-12-31                     |
|                     | <b>•</b> • • •    |                                |

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 o                                                         | ne number per sha          | areholder    |                                |                                   |
|----|-------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|----------------------------|--------------|--------------------------------|-----------------------------------|
|    | Name of shareholder<br>(after name, indicate in brackets if the shareholder<br>is a corporation, partnership, individual, or trust) | Business Number<br>(If a corporation is not<br>registered, enter "NR") | Social insurance<br>number | Trust number | Percentage<br>common<br>shares | Percentage<br>preferred<br>shares |
|    | 100                                                                                                                                 | 200                                                                    | 300                        | 350          | 400                            | 500                               |
| 1  | MUNICIPALITÉ DU CANTON D'ALFRED ET PLANTAGENI                                                                                       | 89244 4779 RC0001                                                      |                            |              | 100.000                        |                                   |
| 2  |                                                                                                                                     |                                                                        |                            |              |                                |                                   |
| 3  |                                                                                                                                     |                                                                        |                            |              |                                |                                   |
| 4  |                                                                                                                                     |                                                                        |                            |              |                                |                                   |
| 5  |                                                                                                                                     |                                                                        |                            |              |                                |                                   |
| 6  |                                                                                                                                     |                                                                        |                            |              |                                |                                   |
| 7  |                                                                                                                                     |                                                                        |                            |              |                                |                                   |
| 8  |                                                                                                                                     |                                                                        |                            |              |                                |                                   |
| 9  |                                                                                                                                     |                                                                        |                            |              |                                |                                   |
| 10 |                                                                                                                                     |                                                                        |                            |              |                                |                                   |





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#### SCHEDULE 500

# ONTARIO CORPORATION TAX CALCULATION

| Name of corporation | Business Number   | Tax year-end<br>Year Month Day |
|---------------------|-------------------|--------------------------------|
| HYDRO 2000 INC.     | 86595 5397 RC0001 | 2010-12-31                     |

- Use this schedule if the corporation had a permanent establishment (as defined in section 400 of the federal *Income Tax Regulations*) in Ontario at any time in the tax year and had Ontario taxable income in the year.
- References to subsections and paragraphs are from the federal Income Tax Act.
- This schedule is a worksheet only and does not have to be filed with your T2 Corporation Income Tax Return.

# Part 1 – Calculation of Ontario basic rate of tax for the year -

| Number of days in the tax year<br>before July 1, 2010<br>Number of days in the tax year                          | <u>181</u><br>365 | x          | 14.00 %           | =      | 6.94247 %_A1 |               |
|------------------------------------------------------------------------------------------------------------------|-------------------|------------|-------------------|--------|--------------|---------------|
| Number of days in the tax year after<br>June 30, 2010, and before July 1, 2011<br>Number of days in the tax year | <u>184</u><br>365 | x          | 12.00 %           | =      | 6.04932 %A2  |               |
| Number of days in the tax year after<br>June 30, 2011, and before July 1, 2012<br>Number of days in the tax year | 365               | x          | 11.50 %           | =      | A3           |               |
| Number of days in the tax year after<br>June 30, 2012, and before July 1, 2013<br>Number of days in the tax year | 365               | x          | 11.00 %           | =      | A4           |               |
| Number of days in the tax year<br>after June 30, 2013<br>Number of days in the tax year                          | 365               | x          | 10.00 %           | =      | A5           |               |
| Ontario basic rate o                                                                                             | of tax for th     | ne year († | total of rates A1 | to A5) | 12.99179     | 12.99179 % A6 |

# Part 2 – Calculation of Ontario basic income tax Ontario taxable income \* 90,174 B Ontario basic income tax: amount B multiplied by Ontario basic rate of tax for the year (rate A6 from Part 1) 11,715 C If the corporation has a permanent establishment in more than one jurisdiction, or is claiming an Ontario tax credit, in addition to Ontario basic income tax, or has Ontario corporate minimum tax, Ontario special additional tax on life insurance corporations or Ontario capital tax payable, enter amount C on line 270 of Schedule 5, Tax Calculation Supplementary – Corporations. Otherwise, enter it on line 760 of the T2 return.

\* If the corporation has a permanent establishment only in Ontario, enter the amount from line 360 or line Z, whichever applies, of the T2 return. Otherwise, enter the taxable income allocated to Ontario from column F in Part 1 of Schedule 5.



| ⊢ Part 3 – Ontario small                                              | business deduction (                                     | OSBD) -     |             |                  |          |                                         |                     |
|-----------------------------------------------------------------------|----------------------------------------------------------|-------------|-------------|------------------|----------|-----------------------------------------|---------------------|
| Complete this part if the corporate have claimed it if subsection 125 |                                                          |             |             | der subsection ' | 125(1) o | or would                                |                     |
| Income from active business car<br>(amount from line 400 of the T2    |                                                          |             |             |                  |          | ·····                                   | 90,174 1            |
| Federal taxable income, less adju<br>(amount from line 405 of the T2  |                                                          |             |             |                  |          |                                         | 90,174 2            |
| Federal business limit before the (amount from line 410 of the T2     | e application of subsection 125(                         | (5.1)       |             | 500,000          | x        | 500,000 =                               | 500,000 3           |
|                                                                       |                                                          |             |             |                  | line 4   | 500,000<br>4 on page 4 of the T2 return |                     |
| Enter the least of amounts 1, 2, a                                    | and 3                                                    |             |             |                  |          | · · · · · · · · · · · · · · · · · · ·   | 90,174 D            |
| Ontario domestic factor:                                              | Ontario taxa                                             | able income | ) *         |                  | 90       | ),174.00 =                              | 1.00000 E           |
|                                                                       | taxable income earned in al                              |             |             | pries **         |          | 90,174                                  |                     |
| Ontario small business income (                                       | (amount D <b>multiplied</b> by amour                     | nt E)       |             |                  |          |                                         | 90,174 <sub>F</sub> |
|                                                                       |                                                          |             |             |                  |          |                                         |                     |
| Number c                                                              | of days in the tax year                                  |             |             |                  |          |                                         |                     |
|                                                                       | ore July 1, 2010<br>of days in the tax year              | 181         | х.          | 8.50 %           | = _      | 4.21507 % G1                            |                     |
|                                                                       | of days in the tax year                                  | 365         |             |                  |          |                                         |                     |
|                                                                       | days in the tax year after<br>0, and before July 1, 2011 |             | x           | 7.50 %           | =        | 3.78082 % G2                            |                     |
| Number o                                                              | of days in the tax year                                  | 365         |             |                  |          |                                         |                     |
|                                                                       | days in the tax year after<br>1, and before July 1, 2012 | _           | x           | 7.00 %           | = _      | G3                                      |                     |
| Number of                                                             | of days in the tax year                                  | 365         |             |                  |          |                                         |                     |
|                                                                       | days in the tax year after<br>2, and before July 1, 2013 |             | x           | 6.50 %           | =        | %_G4                                    |                     |
| Number o                                                              | of days in the tax year                                  | 365         |             |                  |          |                                         |                     |
|                                                                       | of days in the tax year<br>r June 30, 2013               |             | x           | 5.50 %           | =        | %_G5                                    |                     |
| Number c                                                              | of days in the tax year                                  | 365         | -           |                  | -        |                                         |                     |
| OSBD rate for the year (total of r                                    | rates G1 to G5)                                          |             |             |                  | ••••=    | 7.99589 % G6                            |                     |
| Ontario small business deduc                                          | ction: amount F multiplied by (                          | OSBD rate   | for the yea | ar (rate G6)     |          | ····· <u> </u>                          | 7,210 н             |
| Enter amount H on line 402 of S                                       | chedule 5.                                               |             |             |                  |          |                                         |                     |
| * Enter amount B from Part 2.                                         |                                                          |             |             |                  |          |                                         |                     |
| ** Includes the offshore jurisdie                                     | ctions for Nova Scotia and New                           | vfoundland  | and Labra   | dor.             |          |                                         |                     |

| - Part 4 – Calculation | of surtax re Or | ntario small bus | siness deduction · |
|------------------------|-----------------|------------------|--------------------|

Complete this part if the corporation is claiming the OSBD and its adjusted taxable income, **plus** the adjusted taxable income of each corporation with which the corporation was associated during its tax year, is greater than \$500,000. If the corporation is a member of an associated group, complete Schedule 501, *Ontario Adjusted Taxable Income of Associated Corporations to Determine Surtax re Ontario Small Business Deduction*.

Note: For days in the tax year after June 30, 2010, the small business surtax rate is 0%. You do not have to complete this part if the corporation's tax year begins after June 30, 2010.

| Adjusted taxable income *       90,174       I         Adjusted taxable income of all associated corporations (amount from line 500 of Schedule 501)       J         Aggregate adjusted taxable income (amount I plus amount J)       90,174         Deduct:       0         Ontario business limit       0                                                                                            | <u>90,174</u> к<br><u>500,000</u> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|
| Aggregate adjusted taxable income (amount I plus amount J)       90,174         Deduct:       0ntario business limit                                                                                                                                                                                                                                                                                   | 500,000                           |
| Deduct:         Ontario business limit                                                                                                                                                                                                                                                                                                                                                                 | 500,000                           |
| Ontario business limit                                                                                                                                                                                                                                                                                                                                                                                 | , ,                               |
|                                                                                                                                                                                                                                                                                                                                                                                                        | , ,                               |
|                                                                                                                                                                                                                                                                                                                                                                                                        | 1                                 |
| Subtotal (amount K minus Ontario business limit) (if negative, enter "0" on this line and on line P )                                                                                                                                                                                                                                                                                                  | L                                 |
| Small business surtax rate for the year:                                                                                                                                                                                                                                                                                                                                                               |                                   |
| Number of days in the tax year before July 1, 2010181×4.25 %=2.10753 %MNumber of days in the tax year365                                                                                                                                                                                                                                                                                               |                                   |
| Amount L x % on line M =                                                                                                                                                                                                                                                                                                                                                                               | N                                 |
| Amount N       ×       Ontario small business income (amount F from Part 3)       90,174       =       =       .         500,000       500,000       500,000                                                                                                                                                                                                                                           | 0                                 |
| Surtax re Ontario small business deduction: lesser of amount O and OSBD (amount H from Part 3)                                                                                                                                                                                                                                                                                                         | P                                 |
| Enter amount P on line 272 of Schedule 5.                                                                                                                                                                                                                                                                                                                                                              |                                   |
| * Adjusted taxable income is equal to the corporation's taxable income or taxable income earned in Canada for the year <b>plus</b> the amount of the corporation's adjusted Crown royalties for the year <b>minus</b> the amount of the corporation's notional resource allowance for the year (from Schedule 504, <i>Ontario Resource Tax Credit and Ontario Additional Tax re Crown Royalties</i> ). |                                   |
| If the tax year of the corporation is less than 51 weeks, <b>multiply</b> the adjusted taxable income of the corporation for the year by 365 and <b>divide</b> by the number of days in the tax year.                                                                                                                                                                                                  |                                   |

#### - Part 5 – Ontario adjusted small business income -Complete this part if the corporation was a Canadian-controlled private corporation throughout the tax year and is claiming the Ontario tax credit for manufacturing and processing or the Ontario credit union tax reduction. 90,174 Q Amount D from Part 3 Surtax payable (amount P from Part 4) R Ontario domestic factor (amount E from Part 3) x OSBD rate (rate G6 from Part 3) 7.99589 % 0.07996 Note: Enter "0" on line R for tax years beginning after June 30, 2010. 90,<u>174</u> s Ontario adjusted small business income (amount Q minus amount R) (if negative, enter "0") . . . . . . . . . . . . . . . . . . . Enter amount S on line U in Part 6 or on line B in Part 2 of Schedule 502, Ontario Tax Credit for Manufacturing and Processing, whichever applies.

| Part 6 – Calculation of credit union tax reduction ————————————————————————————————————                                     |            |
|-----------------------------------------------------------------------------------------------------------------------------|------------|
| Complete this part and Schedule 17, Credit Union Deductions, if the corporation was a credit union throughout the tax year. |            |
| Amount D from Part 3 of Schedule 17                                                                                         | т          |
| Ontario adjusted small business income (amount S from Part 5)                                                               | U          |
| Subtotal (amount T minus amount U) (if negative, enter "0")                                                                 | V          |
| OSBD rate for the year (rate G6 from Part 3)                                                                                |            |
| Amount V multiplied by the OSBD rate for the year                                                                           | w          |
| Ontario domestic factor (amount E from Part 3)                                                                              | 1.00000 x  |
| Ontario credit union tax reduction (amount W multiplied by amount X)                                                        | · · · · ·Y |
| Enter amount Y on line 410 of Schedule 5.                                                                                   |            |



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# SCHEDULE 510

# **ONTARIO CORPORATE MINIMUM TAX**

| Name of corporation | Business Number   | Tax year-end<br>Year Month Day |
|---------------------|-------------------|--------------------------------|
| HYDRO 2000 INC.     | 86595 5397 RC0001 | 2010-12-31                     |

File this schedule if the corporation is subject to Ontario corporate minimum tax (CMT). CMT is levied under section 55 of the Taxation Act, 2007 (Ontario), referred to as the "Ontario Act".

- Complete Part 1 to determine if the corporation is subject to CMT for the tax year.
- A corporation not subject to CMT in the tax year is still required to file this schedule if it is deducting a CMT credit, has a CMT credit carryforward, or has a CMT loss carryforward or a current year CMT loss.
- A corporation that has Ontario special additional tax on life insurance corporations (SAT) payable in the tax year must complete Part 4 of this schedule even if it is not subject to CMT for the tax year.
- A corporation is exempt from CMT if, throughout the tax year, it was one of the following:
  - 1) a corporation exempt from income tax under section 149 of the federal Income Tax Act;
  - 2) a mortgage investment corporation under subsection 130.1(6) of the federal Act;
  - 3) a deposit insurance corporation under subsection 137.1(5) of the federal Act;
  - 4) a congregation or business agency to which section 143 of the federal Act applies;
  - 5) an investment corporation as referred to in subsection 130(3) of the federal Act; or
  - 6) a mutual fund corporation under subsection 131(8) of the federal Act.
- File this schedule with the T2 Corporation Income Tax Return.

#### Part 1 – Determination of CMT applicability

| Total assets of the corporation at the end of the tax year *                    | 1,415,858 |
|---------------------------------------------------------------------------------|-----------|
| Share of total assets from partnership(s) and joint venture(s) *                |           |
| Total assets of associated corporations (amount from line 450 on Schedule 511)  |           |
| Total assets (total of lines 112 to 116)                                        | 1,415,858 |
| Total revenue of the corporation for the tax year **                            | 1,968,638 |
| Share of total revenue from partnership(s) and joint venture(s) **              |           |
| Total revenue of associated corporations (amount from line 550 on Schedule 511) |           |
| Total revenue (total of lines 142 to 146)                                       | 1,968,638 |

The corporation is subject to CMT if:

- for tax years ending before July 1, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are more than \$5,000,000, or the total revenue for the year of the corporation or the associated group of corporations is more than \$10,000,000.
- for tax years ending after June 30, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are equal to or more than \$50,000,000, and the total revenue for the year of the corporation or the associated group of corporations is equal to or more than \$100,000,000.
   If the corporation is not subject to CMT, do not complete the remaining parts unless the corporation is deducting a CMT credit, or has a CMT credit carryforward, a CMT loss carryforward, a current year CMT loss, or SAT payable in the year.

#### \* Rules for total assets

- Report total assets according to generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- Do not include unrealized gains and losses on assets and foreign currency gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.
- The amount on line 114 is determined at the end of the last fiscal period of the partnership or joint venture that ends in the tax year of the corporation. Add the proportionate share of the assets of the partnership(s) and joint venture(s), and deduct the recorded asset(s) for the investment in partnerships and joint ventures.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were \$1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.

#### \*\* Rules for total revenue

- Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- If the tax year is less than 51 weeks, multiply the total revenue of the corporation or the partnership, whichever applies, by 365 and divide by the number of days in the tax year.
- The amount on line 144 is determined for the partnership or joint venture fiscal period that ends in the tax year of the corporation. If the partnership or joint venture has 2 or more fiscal periods ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were \$1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.

| - Part 2 – Calculation of adjusted net income/loss for CMT purposes                                                                                                                                                                                                                                                                                                                                                        |                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| Net income/loss per financial statements *                                                                                                                                                                                                                                                                                                                                                                                 | <b>210</b> -27,168          |
| Add (to the extent reflected in income/loss):                                                                                                                                                                                                                                                                                                                                                                              |                             |
| Provision for current income taxes/cost of current income taxes                                                                                                                                                                                                                                                                                                                                                            | _                           |
| Provision for deferred income taxes (debits)/cost of future income taxes                                                                                                                                                                                                                                                                                                                                                   | _                           |
| Equity losses from corporations                                                                                                                                                                                                                                                                                                                                                                                            | _                           |
| Financial statement loss from partnerships and joint ventures       226         Dividends deducted on financial statements (subsection 57(2) of the Ontario Act),       230         excluding dividends paid by credit unions under subsection 137(4.1) of the federal Act       230                                                                                                                                       | -                           |
| Other additions (see note below):                                                                                                                                                                                                                                                                                                                                                                                          |                             |
| Share of adjusted net income of partnerships and joint ventures **                                                                                                                                                                                                                                                                                                                                                         | _                           |
| Total patronage dividends received, not already included in net income/loss 232                                                                                                                                                                                                                                                                                                                                            | _                           |
| 281 282                                                                                                                                                                                                                                                                                                                                                                                                                    |                             |
| 283 284                                                                                                                                                                                                                                                                                                                                                                                                                    | _                           |
| Subtotal14,424                                                                                                                                                                                                                                                                                                                                                                                                             | ► <u>14,424</u> A           |
| Deduct (to the extent reflected in income/loss):                                                                                                                                                                                                                                                                                                                                                                           | -                           |
| Provision for recovery of current income taxes/benefit of current income taxes                                                                                                                                                                                                                                                                                                                                             | _                           |
| Provision for deferred income taxes (credits)/benefit of future income taxes                                                                                                                                                                                                                                                                                                                                               | _                           |
| Equity income from corporations                                                                                                                                                                                                                                                                                                                                                                                            | _                           |
| Financial statement income from partnerships and joint ventures                                                                                                                                                                                                                                                                                                                                                            | _                           |
| Dividends deductible under section 112, section 113, or subsection 138(6) of the federal Act 330                                                                                                                                                                                                                                                                                                                           | _                           |
| Dividends not taxable under section 83 of the federal Act (from Schedule 3)                                                                                                                                                                                                                                                                                                                                                | _                           |
| Gain on donation of listed security or ecological gift                                                                                                                                                                                                                                                                                                                                                                     | _                           |
| Accounting gain on transfer of property to a corporation under section 85 or 85.1 of the federal Act ***                                                                                                                                                                                                                                                                                                                   | _                           |
| Accounting gain on transfer of property to/from a partnership under section 85 or 97<br>of the federal Act ****                                                                                                                                                                                                                                                                                                            |                             |
| Accounting gain on disposition of property under subsection 13(4),<br>subsection 14(6), or section 44 of the federal Act *****                                                                                                                                                                                                                                                                                             | -                           |
| Accounting gain on a windup under subsection 88(1) of the federal Act<br>or an amalgamation under section 87 of the federal Act                                                                                                                                                                                                                                                                                            | _                           |
| Other deductions (see note below):                                                                                                                                                                                                                                                                                                                                                                                         |                             |
| Share of adjusted net loss of partnerships and joint ventures **                                                                                                                                                                                                                                                                                                                                                           | _                           |
| Tax payable on dividends under subsection 191.1(1) of the federal Act multiplied by 3       334         Interest deducted/deductible under paragraph 20(1)(c) or (d) of the federal Act,                                                                                                                                                                                                                                   | -                           |
| not already included in net income/loss                                                                                                                                                                                                                                                                                                                                                                                    | -                           |
| Patronage dividends paid (from Schedule 16) not already included in net income/loss 338                                                                                                                                                                                                                                                                                                                                    | -                           |
| 381 382                                                                                                                                                                                                                                                                                                                                                                                                                    | _                           |
| 383 384                                                                                                                                                                                                                                                                                                                                                                                                                    | -                           |
| 385 386                                                                                                                                                                                                                                                                                                                                                                                                                    | -                           |
| 387 388                                                                                                                                                                                                                                                                                                                                                                                                                    | -                           |
| 389 390                                                                                                                                                                                                                                                                                                                                                                                                                    | -                           |
| Subtotal19,358                                                                                                                                                                                                                                                                                                                                                                                                             |                             |
| Adjusted net income/loss for CMT purposes (line 210 plus amount A minus amount B)                                                                                                                                                                                                                                                                                                                                          | 490                         |
| If the amount on line 490 is positive and the corporation is subject to CMT as determined in Part 1, enter the amount on line 515 in                                                                                                                                                                                                                                                                                       | n Part 3.                   |
| If the amount on line 490 is negative, enter the amount on line 760 in Part 7 (enter as a positive amount).                                                                                                                                                                                                                                                                                                                |                             |
| Note                                                                                                                                                                                                                                                                                                                                                                                                                       |                             |
| In accordance with Ontario Regulation 37/09, when calculating net income for CMT purposes, accounting income should be adju                                                                                                                                                                                                                                                                                                |                             |
| <ul> <li>exclude unrealized gains and losses due to mark-to-market changes or foreign currency changes on specified mark-to-market</li> <li>include realized gains and losses on the disposition of specified mark-to-market property not already included in the accountin property is not a capital property or is a capital property disposed in the year or in a previous tax year ended after March 22, 20</li> </ul> | g income, if the            |
| "Specified mark-to-market property" is defined in subsection 54(1) of the Ontario Act.                                                                                                                                                                                                                                                                                                                                     |                             |
| These rules also apply to partnerships. A corporate partner's share of a partnership's adjusted income flows through on a proporti to the corporate partner.                                                                                                                                                                                                                                                               | onate basis                 |
| * Rules for net income/loss                                                                                                                                                                                                                                                                                                                                                                                                |                             |
| <ul> <li>Banks must report net income/loss as per the report accepted by the Superintendent of Financial Institutions under the fed<br/>consolidation and equity methods are not used.</li> </ul>                                                                                                                                                                                                                          | Jeral Bank Act, adjusted so |

#### Part 2 – Calculation of adjusted net income/loss for CMT purposes (continued)

- Life insurance corporations must report net income/loss as per the report accepted by the federal Superintendent of Financial Institutions or equivalent provincial insurance regulator, before SAT and adjusted so consolidation and equity methods are not used. If the life insurance corporation is resident in Canada and carries on business in and outside of Canada, **multiply** the net income/loss by the ratio of the Canadian reserve liabilities **divided** by the total reserve liability. The reserve liabilities are calculated in accordance with Regulation 2405(3) of the federal Act.
- Other corporations must report net income/loss in accordance with generally accepted accounting principles, except that consolidation and equity methods must not be used. When the equity method has been used for accounting purposes, equity losses and equity income are removed from book income/loss on lines 224 and 324 respectively.
- Corporations, other than insurance corporations, should report net income from line 9999 of the GIFI (Schedule 125) on line 210.
- \*\* The share of the adjusted net income of a partnership or joint venture is calculated as if the partnership or joint venture were a corporation and the tax year of the partnership or joint venture were its fiscal period. For a corporation with an indirect interest in a partnership through one or more partnerships, determine the corporation's share according to clause 54(5)(c) of the Ontario Act.
- \*\*\* A joint election will be considered made under subsection 60(1) of the Ontario Act if there is an entry on line 342, and an election has been made for transfer of property to a corporation under subsection 85(1) of the federal Act.
- \*\*\*\* A joint election will be considered made under subsection 60(2) of the Ontario Act if there is an entry on line 344, and an election has been made under subsection 85(2) or 97(2) of the federal Act.
- \*\*\*\*\* A joint election will be considered made under subsection 61(1) of the Ontario Act if there is an entry on line 346, and an election has been made under subsection 13(4) or 14(6) and/or section 44 of the federal Act.

For more information on how to complete this part, see the T2 Corporation - Income Tax Guide.

#### Part 3 – Calculation of CMT payable

| Adjusted net income for CMT purposes (line 490 in Part 2, if positive)                                                                                                                                                                                                                                                                                 |                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| Deduct:                                                                                                                                                                                                                                                                                                                                                |                   |
| CMT loss available (amount R from Part 7)                                                                                                                                                                                                                                                                                                              |                   |
| Minus: Adjustment for an acquisition of control * 518                                                                                                                                                                                                                                                                                                  |                   |
| Adjusted CMT loss available                                                                                                                                                                                                                                                                                                                            |                   |
| Net income subject to CMT calculation (if negative, enter "0")                                                                                                                                                                                                                                                                                         |                   |
| Amount from       x       Number of days in the tax         line 520       x       year before July 1, 2010         Number of days       181         in the tax year       365                                                                                                                                                                         |                   |
| Amount from       x       Number of days in the tax         line 520       x       year after June 30, 2010         Number of days       184         in the tax year       365                                                                                                                                                                         |                   |
| Subtotal (amount 1 <b>plus</b> amount 2)                                                                                                                                                                                                                                                                                                               |                   |
| Gross CMT: amount on line 3 above x OAF **       540         Deduct:       Foreign tax credit for CMT purposes ***       550         CMT after foreign tax credit deduction (line 540 minus line 550) (if negative, enter "0")       550         Deduct:       Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)      | D<br>E            |
| If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "Ontario," enter "1" on line F.<br>If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "multiple," complete the following calculation, and enter the result on line F:<br>Ontario taxable income *****<br>Taxable income ***** | 1 <u>.00000</u> F |
| ***** Enter the taxable income amount from line 360 or amount Z of the T2 return, whichever applies. If the taxable income is nil, enter "1,000."                                                                                                                                                                                                      |                   |

| ─ Part 4 – Calculation of CMT credit carryforward                                                                                                                                                                       | -   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| CMT credit carryforward at the end of the previous tax year * G                                                                                                                                                         |     |
| Deduct:         600                                                                                                                                                                                                     |     |
| CMT credit carryforward at the beginning of the current tax year * (see note below)                                                                                                                                     |     |
| Add:                                                                                                                                                                                                                    |     |
| CMT credit carryforward balances transferred on an amalgamation or the windup of a subsidiary (see note below)                                                                                                          |     |
| CMT credit available for the tax year (amount on line 620 plus amount on line 650)                                                                                                                                      | Н   |
| Deduct:                                                                                                                                                                                                                 |     |
| CMT credit deducted in the current tax year (amount P from Part 5)                                                                                                                                                      | 1   |
| Subtotal (amount H minus amount I)                                                                                                                                                                                      | J   |
| Add: Net CMT payable (amount E from Part 3)                                                                                                                                                                             |     |
| SAT payable (amount O from Part 6 of Schedule 512)                                                                                                                                                                      |     |
| Subtotal                                                                                                                                                                                                                | K   |
|                                                                                                                                                                                                                         |     |
| CMT credit carryforward at the end of the tax year (amount J plus amount K)                                                                                                                                             | L   |
| t For the first homeonical TO active filed with a towner that includes down in 2000.                                                                                                                                    |     |
| <ul> <li>* For the first harmonized T2 return filed with a tax year that includes days in 2009:</li> <li>do not enter an amount on line G or line 600;</li> </ul>                                                       |     |
| <ul> <li>– do not enter an amount of nine 600,</li> <li>– for line 620, enter the amount from line 2336 of Ontario CT23 Schedule 101, Corporate Minimum Tax (CMT), for the last tax year that ended in 2008.</li> </ul> |     |
| For other tax years, enter on line G the amount from line 670 of Schedule 510 from the previous tax year.                                                                                                               |     |
|                                                                                                                                                                                                                         |     |
| Note: If you entered an amount on line 620 or line 650, complete Part 6.                                                                                                                                                |     |
| Part 5 – Calculation of CMT credit deducted from Ontario corporate income tax payable                                                                                                                                   |     |
| CMT eredit queilable for the tay year (amount 1) from Dart 4)                                                                                                                                                           |     |
| CMT credit available for the tax year (amount H from Part 4)                                                                                                                                                            | IVI |
| Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5) 4,505 1                                                                                                                              |     |
| For a corporation that is not a life insurance corporation:                                                                                                                                                             |     |
| CMT after foreign tax credit deduction (amount D from Part 3) 2                                                                                                                                                         |     |
| For a life insurance corporation:                                                                                                                                                                                       |     |
| Gross CMT (line 540 from Part 3)                                                                                                                                                                                        |     |
| Gross SAT (line 460 from Part 6 of Schedule 512)                                                                                                                                                                        |     |
| The greater of amounts 3 and 4                                                                                                                                                                                          |     |
| Deduct: line 2 or line 5, whichever applies: 6                                                                                                                                                                          |     |
| Subtotal (if negative, enter "0") <b>4</b> ,505 ► <b>4</b> ,505                                                                                                                                                         | N   |
| Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5) 4,505                                                                                                                                |     |
| Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5) 4,505<br>Deduct:                                                                                                                     |     |
| Total refundable tax credits excluding Ontario qualifying environmental trust tax credit                                                                                                                                |     |
| (amount J6 minus line 450 from Schedule 5)                                                                                                                                                                              |     |
| Subtotal (if negative, enter "0")         4,505         4,505                                                                                                                                                           | 0   |
| CMT credit deducted in the current tax year (least of amounts M, N, and O)                                                                                                                                              | Ρ   |
| Enter amount P on line 418 of Schedule 5 and on line I in Part 4 of this schedule.                                                                                                                                      |     |
| Is the corporation claiming a CMT credit earned before an acquisition of control?                                                                                                                                       |     |
| If you answered <b>yes</b> to the question at line 675, the CMT credit deducted in the current tax year may be restricted. For information on how the deduction                                                         |     |
| may be restricted, see subsections 53(6) and (7) of the Ontario Act.                                                                                                                                                    |     |

# ┌ Part 6 – Analysis of CMT credit available for carryforward by year of origin —

Complete this part if:

- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

| Year of origin            | CMT credit balance * |
|---------------------------|----------------------|
| 10th previous<br>tax year | 680                  |
| 9th previous<br>tax year  | 681                  |
| 8th previous<br>tax year  | 682                  |
| 7th previous<br>tax year  | 683                  |
| 6th previous<br>tax year  | 684                  |
| 5th previous<br>tax year  | 685                  |
| 4th previous<br>tax year  | 686                  |
| 3rd previous<br>tax year  | 687                  |
| 2nd previous<br>tax year  | 688                  |
| 1st previous<br>tax year  | 689                  |
| Total **                  |                      |

\* CMT credit that was earned (by the corporation, predecessors of the corporation, and subsidiaries wound up into the corporation) in each of the previous 10 tax years and has not been deducted.

\*\* Must equal the total of the amounts entered on lines 620 and 650 in Part 4.

| - Part 7 – Calculation of CMT loss carryforward                                                                                                                                                                            |                |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| CMT loss carryforward at the end of the previous tax year * Q Deduct:                                                                                                                                                      |                |
| CMT loss expired *                                                                                                                                                                                                         |                |
| CMT loss carryforward at the beginning of the tax year * (see note below)                                                                                                                                                  |                |
| CMT loss transferred on an amalgamation under section 87 of the federal Act ** (see note below)                                                                                                                            |                |
| CMT loss available (line 720 plus line 750)                                                                                                                                                                                | R              |
| Deduct:                                                                                                                                                                                                                    |                |
| CMT loss deducted against adjusted net income for the tax year (lesser of line 490 (if positive) and line C in Part 3)                                                                                                     |                |
| Subtotal (if negative, enter "0")                                                                                                                                                                                          | S              |
| Add:                                                                                                                                                                                                                       |                |
| Adjusted net loss for CMT purposes (amount from line 490 in Part 2, if <b>negative</b> ) (enter as a positive amount)                                                                                                      | 32,102         |
| CMT loss carryforward balance at the end of the tax year (amount S plus line 760)                                                                                                                                          | 32,102 т       |
| * For the first harmonized T2 return filed with a tax year that includes days in 2009:                                                                                                                                     |                |
| <ul> <li>do not enter an amount on line Q or line 700;</li> <li>for line 720, enter the amount from line 2214 of Optorio CT22 Schedule 101, Corporate Minimum Tax (CMT), for the last tax year that</li> </ul>             | and an 2009    |
| - for line 720, enter the amount from line 2214 of Ontario CT23 Schedule 101, Corporate Minimum Tax (CMT), for the last tax year that                                                                                      | ended in 2006. |
| For other tax years, enter on line Q the amount from line 770 of Schedule 510 from the previous tax year.                                                                                                                  |                |
| ** Do not transfer a loss on a vertical amalgamation under subsection 87(2.11) of the federal Act or other amalgamation of a parent and its su<br>Note: If you entered an amount on line 720 or line 750, complete Part 8. | ubsidiary.     |
|                                                                                                                                                                                                                            |                |

# Part 8 – Analysis of CMT loss available for carryforward by year of origin -

Complete this part if:

- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

| Year of origin            | Balance earned in a tax year ending<br>before March 23, 2007 * | Balance earned in a tax year ending<br>after March 22, 2007 ** |
|---------------------------|----------------------------------------------------------------|----------------------------------------------------------------|
| 10th previous<br>tax year | 810                                                            | 820                                                            |
| 9th previous<br>tax year  | 811                                                            | 821                                                            |
| 8th previous<br>tax year  | 812                                                            | 822                                                            |
| 7th previous tax year     | 813                                                            | 823                                                            |
| 6th previous<br>tax year  | 814                                                            | 824                                                            |
| 5th previous tax year     | 815                                                            | 825                                                            |
| 4th previous<br>tax year  | 816                                                            | 826                                                            |
| 3rd previous<br>tax year  | 817                                                            | 827                                                            |
| 2nd previous<br>tax year  | 818                                                            | 828                                                            |
| 1st previous<br>tax year  |                                                                | 829                                                            |
| Total ***                 |                                                                |                                                                |

\* Adjusted net loss for CMT purposes that was earned (by the corporation, by subsidiaries wound up into or amalgamated with the corporation before March 22, 2007, and by other predecessors of the corporation) in each of the previous 10 tax years that ended before March 23, 2007, and has not been deducted.

\*\* Adjusted net loss for CMT purposes that was earned (by the corporation and its predecessors, but not by a subsidiary predecessor) in each of the previous 20 tax years that ended after March 22, 2007, and has not been deducted.

\*\*\* The total of these two columns must equal the total of the amounts entered on lines 720 and 750.



Agence du revenu du Canada

#### **SCHEDULE 546**

# CORPORATIONS INFORMATION ACT ANNUAL RETURN FOR ONTARIO CORPORATIONS

| Name of corporation | Business Number   | Tax year-end<br>Year Month Day |
|---------------------|-------------------|--------------------------------|
| HYDRO 2000 INC.     | 86595 5397 RC0001 | 2010-12-31                     |

- This schedule should be completed by a corporation that is incorporated, continued, or amalgamated in Ontario and subject to the Ontario Business Corporations Act (BCA) or Ontario Corporations Act (CA), except for registered charities under the federal Income Tax Act. This completed schedule serves as a Corporations Information Act Annual Return under the Ontario Corporations Information Act.
- Complete parts 1 to 4. Complete parts 5 to 7 only to report change(s) in the information recorded on the Ontario Ministry of Government Services (MGS) public record.
- This schedule must set out the required information for the corporation as of the date of delivery of this schedule.
- A completed Ontario Corporations Information Act Annual Return must be delivered within six months after the end of the corporation's tax year-end. The MGS considers this return to be delivered on the date that it is filed with the Canada Revenue Agency (CRA) together with the corporation's income tax return
- It is the corporation's responsibility to ensure that the information shown on the MGS public record is accurate and up-to-date. To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. Visit www.ServiceOntario.ca for more information.
- This schedule contains non-tax information collected under the authority of the Ontario Corporations Information Act. This information will be sent to the MGS for the purposes of recording the information on the public record maintained by the MGS.

# - Part 2 - Head or registered office address (P.O. box not acceptable as stand-alone address) -

| 00 Care of (if applicable)                                                                                      |                                        |                           |                                               |
|-----------------------------------------------------------------------------------------------------------------|----------------------------------------|---------------------------|-----------------------------------------------|
| 10         Street number         220         Street name/Rural route/           265         rue St-Philippe     | Lot and Concession number              | 230 Suite num             | nber                                          |
| Additional address information if applicable (line 2                                                            | 20 must be completed first)            |                           |                                               |
| 50 Municipality (e.g., city, town)                                                                              |                                        | 270 Country               | 280 Postal/zip code                           |
| Alfred                                                                                                          | ON                                     | CA                        | KOB 1A0                                       |
| Part 3 – Change identifier ————                                                                                 |                                        |                           |                                               |
| <b>300</b> If there have been no changes, enter <b>1</b> in If there are changes, enter <b>2</b> in this box ar |                                        |                           | to "Part 4 – Certification."                  |
| Part 4 – Certification                                                                                          |                                        |                           |                                               |
| I certify that all information given in this Corporations In                                                    |                                        | orrect, and complete.     |                                               |
| 450 BEAULNE                                                                                                     | 451 RENÉ                               |                           |                                               |
| Last name                                                                                                       |                                        | First name                |                                               |
| 454                                                                                                             | 3                                      |                           |                                               |
| Middle name(s)                                                                                                  |                                        |                           |                                               |
| 460 Please enter one of the following numbers knowledge of the affairs of the corporation                       |                                        |                           | icer, or <b>3</b> for other individual having |
| Note: Sections 13 and 14 of the Ontario Corporations In                                                         | nformation Act provide penalties for m | aking false or misleading | statements or omissions.                      |

T2 SCH 546 E (10)

Canadä

| 500 | Please enter one of the following numbers in this box:                                               | <ol> <li>Show no mailing address on the MGS public record.</li> <li>The corporation's mailing address is the same as the head or<br/>registered office address in Part 2 of this schedule.</li> <li>The corporation's complete mailing address is as follows:</li> </ol> |     |         |                     |  |
|-----|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|---------|---------------------|--|
|     |                                                                                                      |                                                                                                                                                                                                                                                                          |     |         |                     |  |
| 510 | Care of (if applicable)                                                                              |                                                                                                                                                                                                                                                                          |     |         |                     |  |
| 520 | Street number     530     Street name/Rural route/Lot and Concession number     540     Suite number |                                                                                                                                                                                                                                                                          |     |         |                     |  |
| 50  | Additional address information if applicable (line 530 must be                                       | e completed first)                                                                                                                                                                                                                                                       |     |         |                     |  |
| 560 | Municipality (e.g., city, town) 5                                                                    | 70 Province/state                                                                                                                                                                                                                                                        | 580 | Country | 590 Postal/zip code |  |
|     |                                                                                                      |                                                                                                                                                                                                                                                                          |     |         |                     |  |

# **Corporate Taxpayer Summary**

| Corporate information —                                  |                       |                          |             |               |              |            |                           |             |             |           |        |
|----------------------------------------------------------|-----------------------|--------------------------|-------------|---------------|--------------|------------|---------------------------|-------------|-------------|-----------|--------|
| Corporation's name                                       | HYDRO 2               | 000 INC.                 |             |               |              |            |                           |             |             |           |        |
| Taxation Year                                            |                       |                          | 0-12-31     |               |              |            |                           |             |             |           |        |
| Jurisdiction                                             | Ontario               |                          |             |               |              |            |                           |             |             |           |        |
| BC AB SK MB                                              | ON                    | QC NB                    | NS          | NO            | PE           | NL         | хо                        | YT          | NT          | NU        | OC     |
|                                                          | X                     |                          |             |               |              |            |                           |             |             |           |        |
| Corporation is associated                                | <u>N</u>              |                          |             |               |              |            |                           |             |             |           |        |
| Corporation is related                                   | <u>N</u>              |                          |             |               |              |            |                           |             |             |           |        |
| Number of associated corporations .                      |                       |                          |             |               |              |            |                           |             |             |           |        |
| Type of corporation                                      | . Canadian            | -Controlled Priv         | vate Corp   | oration       |              |            |                           |             |             |           |        |
| Total amount due (refund) federal and provincial*        |                       | -9,576                   |             |               |              |            |                           |             |             |           |        |
| * The amounts displayed on lines "Tot                    | al amount due (re     | efund) federal and       | provincial" | are all liste | ed in the he | elp. Press | F1 to cons                | ult the con | text-sensat | ive help. |        |
| Summary of federal inform                                | nation ——             |                          |             |               |              |            |                           |             |             |           |        |
| Net income                                               |                       |                          |             |               |              |            |                           |             | · · ·       |           | 90,174 |
| Taxable income                                           |                       |                          |             |               |              |            |                           |             | · · ·       |           | 90,174 |
| Donations                                                |                       |                          |             |               |              |            |                           |             | · · ·       |           |        |
| Calculation of income from an active b                   | usiness carried o     | n in Canada              |             |               |              |            |                           |             | · · · ·     |           | 90,174 |
| Dividends paid                                           |                       |                          |             |               |              |            |                           |             | · · ·       |           |        |
|                                                          |                       |                          |             |               |              |            |                           |             |             |           |        |
| Balance of the low rate income pool at                   | the end of the pre    | evious vear              |             |               |              |            |                           |             |             |           |        |
| Balance of the low rate income pool at                   |                       | -                        |             |               |              |            |                           |             |             |           |        |
| Balance of the general rate income po                    | -                     |                          |             |               |              |            |                           |             |             |           |        |
| Balance of the general rate income po                    |                       |                          |             |               |              |            |                           |             |             |           |        |
| <b>°</b> 1                                               |                       |                          |             |               |              |            |                           |             |             |           | 34,266 |
|                                                          |                       |                          |             |               |              |            |                           |             | · · ·       |           | ,      |
| Credits against part I tax<br>Small business deduction . | 15 330                | Summary of tax<br>Part I |             |               | (            |            | efunds/cre                |             |             |           |        |
| M&P deduction                                            |                       | Part IV                  |             |               |              |            | C refund .<br>vidends ref |             |             |           |        |
| Foreign tax credit                                       |                       | Part III.1               |             |               |              |            | stalments                 |             |             |           | 24,000 |
| Investment tax credits                                   |                       | Other*                   |             |               |              |            | urtax credit              |             |             |           | ,      |
| Abatement/Other*                                         | 9,017                 | Provincial or terr       |             |               | 2            | 1,505 Ot   |                           |             |             |           |        |
|                                                          |                       |                          |             |               |              |            | Balance                   | due/refun   | id (–)      |           | -9,576 |
| * The amounts displayed on lines "Oth                    | er" are all listed ir | n the Help. Press        | F1 to cons  | ult the con   | text-sensiti | ve help.   |                           |             |             |           |        |
| Summary of federal carryf                                | orward/carry          | back inform              | ation —     |               |              |            |                           |             |             |           |        |
| Carryforward balances                                    |                       |                          |             |               |              |            |                           |             |             |           | 2 606  |
| Unused surtax credit (Schedule 37)                       |                       |                          |             |               |              |            |                           |             |             |           | 3,606  |
| Cumulative eligible capital                              |                       |                          |             |               |              |            |                           |             | · · ·       |           | 1,779  |

#### □ Summary of provincial information – provincial income tax payable

|                                                                                                                                                                                           | Ontario | Québec<br>(CO-17) | Alberta<br>(AT1) |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|-------------------|------------------|
| Net income                                                                                                                                                                                | 90,174  |                   |                  |
| Taxable income                                                                                                                                                                            |         |                   |                  |
| % Allocation                                                                                                                                                                              | 100.00  |                   |                  |
| Attributed taxable income                                                                                                                                                                 |         |                   |                  |
| Surtax                                                                                                                                                                                    |         | N/A               | N/A              |
| Tax payable before deduction*                                                                                                                                                             | 11,715  |                   |                  |
| Deductions and credits                                                                                                                                                                    | 7,210   |                   |                  |
| Vet tax payable                                                                                                                                                                           | 4,505   |                   |                  |
| Attributed taxable capital                                                                                                                                                                | 705,412 |                   | N/A              |
| Capital tax payable**                                                                                                                                                                     |         |                   | N/A              |
| _<br>otal tax payable***                                                                                                                                                                  | 4,505   |                   |                  |
| nstalments and refundable credits                                                                                                                                                         |         |                   |                  |
| Balance due/Refund (-)                                                                                                                                                                    | 4,505   |                   |                  |
| For Québec, this includes special taxes and logging operations.                                                                                                                           |         |                   |                  |
| * For Québec, this includes compensation tax and registration fee.                                                                                                                        |         |                   |                  |
| *** For Ontario, this includes the corporate minimum tax, the Crown royalties' additional ta<br>development tax credit and the special additional tax debit on life insurance corporation | -       | •                 |                  |

Balance due/refund.

# Summary of provincial carryforward amounts Other carryforward amounts Ontario Corporate minimum tax loss that can be carried forward over 20 years – Schedule 510 32,102

#### Summary – taxable capital

#### Federal

| Corporate name  | Taxable capital<br>used to calculate<br>the business limit<br>reduction<br>(T2, line 415) | Taxable capital<br>used to calculate<br>the SR&ED<br>expenditure limit<br>for a CCPC<br>(Schedules 31<br>and 49) | Taxable capital<br>used to calculate<br>line 233 of<br>the T2 return | Taxable capital<br>used to calculate<br>line 234 of<br>the T2 return |
|-----------------|-------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|----------------------------------------------------------------------|
| HYDRO 2000 INC. | 948,046                                                                                   | 948,046                                                                                                          | 705,412                                                              | 705,412                                                              |
| Total           | 948,046                                                                                   | 948,046                                                                                                          | 705,412                                                              | 705,412                                                              |

#### Québec

| Corporate name | Paid-up capital<br>used to calculate<br>the deduction<br>relating to<br>income-averaging<br>for forest producers<br>(CO-726.30) | Paid-up capital<br>used to calculate<br>the exemption<br>for small and<br>medium-sized<br>manufacturing<br>businesses<br>(CO-737.18.18) | Paid-up capital<br>used to calculate<br>the Québec<br>business limit<br>reduction<br>(CO-771 and<br>CO-771.1.3) | Paid-up capital<br>used to calculate<br>the tax credit<br>for investment<br>(CO-1029.8.36.IN) | Paid-up capital<br>used to calculate<br>the 1 million<br>deduction<br>(CO-1137.A and<br>CO-1137.E) |
|----------------|---------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|
| Total          |                                                                                                                                 |                                                                                                                                         |                                                                                                                 |                                                                                               |                                                                                                    |

#### Ontario

| Chano           |                                                                                                                                             |                                                                                                                                                        |                                                                                                                            |
|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| Corporate name  | Taxable capital<br>used to calculate<br>the capital<br>deduction – Ontario<br>capital tax on<br>financial<br>institutions<br>(Schedule 514) | Taxable capital<br>used to calculate<br>the capital<br>deduction – Ontario<br>capital tax on other<br>than financial<br>institutions<br>(Schedule 515) | Specified capital<br>used to calculate<br>the expenditure<br>limit – Ontario<br>innovation tax<br>credit<br>(Schedule 566) |
| HYDRO 2000 INC. |                                                                                                                                             | 705,412                                                                                                                                                |                                                                                                                            |
| Tota            |                                                                                                                                             | 705,412                                                                                                                                                |                                                                                                                            |

2010-12-31

#### Other provinces

| Corporate name | Capital used<br>to calculate the<br>Newfoundland<br>and Labrador<br>capital deduction<br>on financial<br>institutions<br>(Schedule 306) | Taxable capital<br>used to calculate<br>the Nova Scotia<br>capital deduction<br>on large<br>corporations<br>(Schedule 343) | Net paid up capital<br>– BC capital<br>tax on financial<br>institutions<br>(FIN 689) | BC paid up capital<br>– BC capital<br>tax on financial<br>institutions<br>(FIN 689) |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
|                |                                                                                                                                         |                                                                                                                            |                                                                                      |                                                                                     |
| Total          |                                                                                                                                         |                                                                                                                            |                                                                                      |                                                                                     |

# **Five-Year Comparative Summary**

| 24                                 | -12-31<br>61,951<br>61,951<br>61,951<br>-13,779<br>-13,779<br>6,814<br> | <u>2008-12-31</u><br><u>46,748</u><br><u>46,748</u><br><u>46,748</u><br><u>-</u><br><u>-</u><br><u>-</u><br><u>-</u><br><u>-</u><br><u>-</u><br><u>-</u><br><u>-</u> | 2007-12-31<br>156,368<br>156,368<br>156,368<br>20,515<br>59,420<br>1,751<br>20,515 | 2006-12-31<br>141,919<br>54,846<br>141,919<br>7,195<br>6,581<br>614<br>7,195 |
|------------------------------------|-------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|------------------------------------------------------------------------------|
| 24                                 | 61,951<br>61,951<br>61,951<br>-13,779<br>6,814                          | 46,748<br>46,748<br>46,748<br>                                                                                                                                       | 156,368<br>156,368<br>156,368<br>20,515<br>59,420<br>1,751                         | 141,919<br>54,846<br>141,919<br>                                             |
| 24                                 | 61,951<br>61,951<br>-13,779<br>6,814                                    | 46,748<br>46,748                                                                                                                                                     | 156,368<br>156,368<br>20,515<br>59,420<br>1,751                                    | 54,846<br>141,919<br>7,195<br>6,581<br>614                                   |
| 24                                 | 61,951                                                                  | 46,748                                                                                                                                                               | 156,368                                                                            | <u>141,919</u><br>7,195<br>6,581<br>614                                      |
| <br><br>/6<br><br><br><br><br><br> | -13,779<br>6,814                                                        | <u> </u>                                                                                                                                                             | 20,515<br>                                                                         | 7,195<br>6,581<br>614                                                        |
| 9                                  | 6,814                                                                   | 5,142                                                                                                                                                                | 59,420<br>1,751                                                                    | 6,581<br>614                                                                 |
| 9                                  | 6,814                                                                   | 5,142                                                                                                                                                                | 59,420<br>1,751                                                                    | 6,581<br>614                                                                 |
| 9                                  | 6,814                                                                   | 5,142                                                                                                                                                                | 59,420<br>1,751                                                                    | 6,581<br>614                                                                 |
| 9                                  | 6,814                                                                   | 5,142                                                                                                                                                                | <u>59,420</u><br>1,751                                                             | 6,581<br>614                                                                 |
| 9                                  | 6,814                                                                   | 5,142                                                                                                                                                                | <u>59,420</u><br>1,751                                                             | 6,581<br>614                                                                 |
| 9                                  | 6,814                                                                   | 5,142                                                                                                                                                                | <u>59,420</u><br>1,751                                                             | 6,581<br>614                                                                 |
| 9                                  | 6,814                                                                   | 5,142                                                                                                                                                                | <u>59,420</u><br>1,751                                                             | 6,581<br>614                                                                 |
| 9                                  | 6,814                                                                   | 5,142                                                                                                                                                                | <u>59,420</u><br>1,751                                                             | 6,581<br>614                                                                 |
| 9                                  | 6,814                                                                   | 5,142                                                                                                                                                                | <u>59,420</u><br>1,751                                                             | 6,581<br>614                                                                 |
|                                    |                                                                         |                                                                                                                                                                      | 1,751                                                                              | 614                                                                          |
|                                    |                                                                         |                                                                                                                                                                      | 1,751                                                                              | 614                                                                          |
|                                    | 6,814                                                                   | 5,142                                                                                                                                                                | 1,751                                                                              | 614                                                                          |
|                                    | 6,814                                                                   | 5,142                                                                                                                                                                | 20,515                                                                             | 7,195                                                                        |
|                                    | 6,814                                                                   | 5,142                                                                                                                                                                | 20,515                                                                             | 7,195                                                                        |
|                                    | 6,814                                                                   | 5,142                                                                                                                                                                | 20,515                                                                             | 7,195                                                                        |
|                                    |                                                                         |                                                                                                                                                                      |                                                                                    |                                                                              |
|                                    |                                                                         |                                                                                                                                                                      |                                                                                    |                                                                              |
| John Dross Ed to                   |                                                                         |                                                                                                                                                                      |                                                                                    |                                                                              |
| ieip. Piess F1 to                  | o consult the con                                                       | ntext-sensative help.                                                                                                                                                |                                                                                    |                                                                              |
|                                    |                                                                         |                                                                                                                                                                      |                                                                                    |                                                                              |
| 80                                 | 10,532                                                                  | 7,947                                                                                                                                                                | 25,019                                                                             | 8,775                                                                        |
|                                    |                                                                         |                                                                                                                                                                      |                                                                                    |                                                                              |
|                                    |                                                                         |                                                                                                                                                                      |                                                                                    |                                                                              |
|                                    |                                                                         |                                                                                                                                                                      |                                                                                    |                                                                              |
|                                    |                                                                         |                                                                                                                                                                      |                                                                                    |                                                                              |
| .7                                 | 6,195                                                                   | 4,675                                                                                                                                                                | 15,637                                                                             | 5,485                                                                        |
| help. Press F1 to                  | o consult the cor                                                       | ntext-sensative help.                                                                                                                                                |                                                                                    |                                                                              |
|                                    |                                                                         |                                                                                                                                                                      |                                                                                    |                                                                              |
|                                    |                                                                         |                                                                                                                                                                      |                                                                                    |                                                                              |
|                                    |                                                                         |                                                                                                                                                                      |                                                                                    |                                                                              |
|                                    | 24,000                                                                  |                                                                                                                                                                      |                                                                                    |                                                                              |
|                                    |                                                                         |                                                                                                                                                                      |                                                                                    |                                                                              |
|                                    |                                                                         |                                                                                                                                                                      |                                                                                    |                                                                              |
|                                    |                                                                         |                                                                                                                                                                      |                                                                                    |                                                                              |
|                                    | 00                                                                      | help. Press F1 to consult the cor                                                                                                                                    | help. Press F1 to consult the context-sensative help.                              | help. Press F1 to consult the context-sensative help.                        |

| 2010-12-31 | 2009-12-31                                                                           | 2008-12-31                                                                                                                                                                          | 2007-12-31                                                                                                                                                                                                                                                                                                | 2006-12-31                                             |
|------------|--------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|
| 90,174     |                                                                                      | 46,748                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                           |                                                        |
| 90,174     |                                                                                      | 46,748                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                           |                                                        |
| 100.00     | 100.00                                                                               | 100.00                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                           |                                                        |
| 90,174     |                                                                                      | 46,748                                                                                                                                                                              | 156,368                                                                                                                                                                                                                                                                                                   | 54,846                                                 |
|            |                                                                                      |                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                           |                                                        |
| 11,715     | 8,673                                                                                | 6,545                                                                                                                                                                               | 21,892                                                                                                                                                                                                                                                                                                    | 7,678                                                  |
| 7,210      | 5,266                                                                                | 3,974                                                                                                                                                                               | 13,291                                                                                                                                                                                                                                                                                                    | 4,662                                                  |
| 4,505      | 3,407                                                                                | 2,571                                                                                                                                                                               | 8,601                                                                                                                                                                                                                                                                                                     | 3,016                                                  |
| 705,412    | 948,046                                                                              | 727,789                                                                                                                                                                             | 1,169,256                                                                                                                                                                                                                                                                                                 | 722,244                                                |
|            |                                                                                      |                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                           |                                                        |
| 4,505      | 3,407                                                                                | 2,571                                                                                                                                                                               | 8,601                                                                                                                                                                                                                                                                                                     | 3,016                                                  |
|            |                                                                                      | 24,000                                                                                                                                                                              | 26,003                                                                                                                                                                                                                                                                                                    |                                                        |
| 4,505      | 3,407                                                                                | -21,429                                                                                                                                                                             | -17,402                                                                                                                                                                                                                                                                                                   | 3,016                                                  |
|            | 90,174<br>90,174<br>100.00<br>90,174<br>11,715<br>7,210<br>4,505<br>705,412<br>4,505 | 90,174         90,174         90,174         100.00         90,174         11,715         8,673         7,210         5,266         4,505         3,407         4,505         3,407 | 90,174       46,748         90,174       46,748         90,174       46,748         100.00       100.00         90,174       46,748         90,174       46,748         11,715       8,673         7,210       5,266         3,407       2,571         705,412       948,046         727,789       24,000 | $\begin{array}{c c c c c c c c c c c c c c c c c c c $ |

<sup>\*</sup> For taxation years ending before January 1, 2009, this includes the corporate minimum tax and the premium tax. For taxation years ending after December 31, 2008, this includes the corporate minimum tax, the Crown royalties' additional tax, the transitional tax debit, the recaptured research and development tax credit and the special additional tax debit on life insurance corporations.

\*\* For taxation years ending after December 31, 2008, the Balance due/Refund is included in the federal Balance due/refund.

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 4 Tab 8 Schedule 3 Page 1 of 1

## Allowance for PILs

2 3 4

1

Attachment 1 shows the OEB's PILs model used to calculate the PILs amount 2012 at proposed rates.

5

The proposed Allowance for PILs for the 2012 test year is based on the proposed Return
on Equity (ROE) amount – see Exhibit 5, Tab 1, Schedule 1. The resulting income taxes
payable amount is grossed-up based on the applicable income tax rate, so the revenue

9 requirement will generate the proposed ROE amount on an after-tax basis.

10

11 Taxable income is based on pre-tax (accounting) income, plus depreciation expense,

12 less deductions for Capital Cost Allowance and Cumulative Eligible Capital.

13

14 The utility's Taxable Capital is less than the exempt amount for the Ontario Capital Tax;

15 accordingly no capital tax is payable.

16

17 Hydro 2000's proposed PILs for 2012 test year is in the amount of; \$5328



Hydro 2000 Inc.

#### Data Input Sheet - Applicant's Rate Base

| Rate Base<br>Return on Rate Base     |        |    | \$<br>963,468 |                   |
|--------------------------------------|--------|----|---------------|-------------------|
| Deemed ShortTerm Debt %              | 4.00%  | т  | \$<br>38,539  | W = S * T         |
| Deemed Long Term Debt %              | 56.00% | U  | \$<br>539,542 | X = S * U         |
| Deemed Equity %                      | 40.00% | V  | \$<br>385,387 | Y = S * V         |
| Short Term Interest Rate             | 2.46%  | z  | \$<br>948     | AC = W * Z        |
| Long Term Interest                   | 5.32%  | AA | \$<br>28,704  | AD = X * AA       |
| Return on Equity (Regulatory Income) | 9.58%  | AB | \$<br>36,920  | AE = Y * AB       |
| Return on Rate Base                  |        |    | \$<br>66,572  | AF = AC + AD + AE |

#### Questions that must be answered

1. Does the applicant have any Investment Tax Credits (ITC)?

- 2. Does the applicant have any SRED Expenditures?
- 3. Does the applicant have any Capital Gains or Losses for tax purposes?
- 4. Does the applicant have any Capital Leases?
- 5. Does the applicant have any Loss Carry-Forwards (non-capital or net capital)?
- 6. Since 1999, has the applicant acquired another regulated applicant's assets?
- 7. Did the applicant pay dividends? If Yes, please describe what was the tax treatment in the manager's summary.
- 8. Did the applicant elect to capitalize interest incurred on CWIP for tax purposes?

| Historic | Bridge | Test Year |
|----------|--------|-----------|
| No       | No     | No        |
|          |        |           |



#### **2012 REBASING YEAR**

## Hydro 2000 Inc. Tax Rates & Exemptions

| Tax Rates<br>Federal & Provincial<br>As of March 22, 2011                                                | Effective<br>January-01-11 | Effective<br>January-01-12 | Effective<br>January-01-13 | Effective<br>January-01-14 |                   |
|----------------------------------------------------------------------------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-------------------|
| Federal income tax<br>General corporate rate                                                             | 38.00%                     | 38.00%                     | 38.00%                     | 38.00%                     |                   |
| Federal tax abatement                                                                                    | -10.00%                    | -10.00%                    | -10.00%                    | -10.00%                    |                   |
| Adjusted federal rate                                                                                    | 28.00%                     | 28.00%                     | 28.00%                     | 28.00%                     |                   |
| Rate reduction                                                                                           | -11.50%<br>16.50%          | -13.00%<br>15.00%          | -13.00%<br>15.00%          | -13.00%<br>15.00%          | (refer to Note 1) |
| Ontario income tax                                                                                       | 11.75%                     | 11.25%                     | 10.50%                     | 10.00%                     | _                 |
| Combined federal and Ontario                                                                             | 28.25%                     | 26.25%                     | 25.50%                     | 25.00%                     | _                 |
| Federal & Ontario Small Business<br>Federal small business threshold<br>Ontario Small Business Threshold | 500,000                    | 500,000                    | 500,000                    | 500,000                    |                   |
| Untano Smali Business Threshold                                                                          | 500,000                    | 500,000                    | 500,000                    | 500,000                    |                   |
| Federal small business rate                                                                              | 11.00%                     | 11.00%                     | 11.00%                     | 11.00%                     |                   |
| Ontario small business rate                                                                              | 4.50%                      | 4.50%                      | 4.50%                      | 4.50%                      |                   |

#### NOTES:

1. Federal Budgets of March 22, 2011 and June 6, 2011 reaffirmed the corporate tax rate reductions to 16.5% in 2011 and 15% in 2012.



# Ontario Energy Board

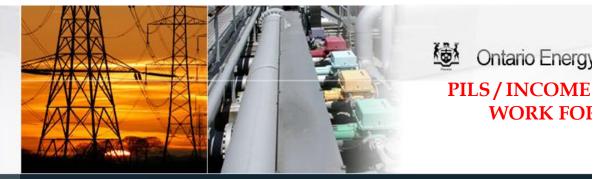
PILS / INCOME TAXES WORK FORM

## **2012 REBASING YEAR**

## Hydro 2000 Inc. Schedule 8 - Historical Year

| Class           | Class Description                                                          | UCC End of<br>Year Historic<br>per tax returns | Less: Non-<br>Distribution<br>Portion | UCC Regulated<br>Historic Year |
|-----------------|----------------------------------------------------------------------------|------------------------------------------------|---------------------------------------|--------------------------------|
| 1               | Distribution System - post 1987                                            | 175,415                                        |                                       | 175,415                        |
| 1 Enhanced      | Non-residential Buildings Reg. 1100(1)(a.1) election                       |                                                |                                       | 0                              |
| 2               | Distribution System - pre 1988                                             | 176,153                                        |                                       | 176,153                        |
| 8               | General Office/Stores Equip                                                | 1,813                                          |                                       | 1,813                          |
| 10              | Computer Hardware/ Vehicles                                                | 871                                            |                                       | 871                            |
| 10.1            | Certain Automobiles                                                        |                                                |                                       | 0                              |
| 12              | Computer Software                                                          |                                                |                                       | 0                              |
| 13 <sub>1</sub> | Lease # 1                                                                  |                                                |                                       | 0                              |
| 13 <sub>2</sub> | Lease #2                                                                   |                                                |                                       | 0                              |
| 13 <sub>3</sub> | Lease # 3                                                                  |                                                |                                       | 0                              |
| 13 ₄            | Lease # 4                                                                  |                                                |                                       | 0                              |
| 14              | Franchise                                                                  |                                                |                                       | 0                              |
| 17              | New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs |                                                |                                       | 0                              |
| 42              | Fibre Optic Cable                                                          |                                                |                                       | 0                              |
| 43.1            | Certain Energy-Efficient Electrical Generating Equipment                   |                                                |                                       | 0                              |
| 43.2            | Certain Clean Energy Generation Equipment                                  |                                                |                                       | 0                              |
| 45              | Computers & Systems Software acq'd post Mar 22/04                          | 463                                            |                                       | 463                            |
| 46              | Data Network Infrastructure Equipment (acq'd post Mar 22/04)               |                                                |                                       | 0                              |
| 47              | Distribution System - post February 2005                                   | 343,449                                        |                                       | 343,449                        |
| 50              | Data Network Infrastructure Equipment - post Mar 2007                      | 730                                            |                                       | 730                            |
| 52              | Computer Hardware and system software                                      |                                                |                                       | 0                              |
| 95              | CWIP                                                                       |                                                |                                       | 0                              |
|                 |                                                                            |                                                |                                       | 0                              |
|                 |                                                                            |                                                |                                       | 0                              |
|                 |                                                                            |                                                |                                       | 0                              |
|                 |                                                                            |                                                |                                       | 0                              |
|                 |                                                                            |                                                |                                       | 0                              |
|                 |                                                                            |                                                |                                       | 0                              |
|                 |                                                                            |                                                |                                       | 0                              |
|                 |                                                                            |                                                |                                       | 0                              |
|                 |                                                                            |                                                |                                       | 0                              |
|                 |                                                                            |                                                |                                       | 0                              |
|                 | SUB-TOTAL - UCC                                                            | 698,894                                        | 0                                     | 698,894                        |

|                                                                                                                                                   | Ontario Ene<br>PILS / INCON<br>WORK F | ME TAXES        |
|---------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|-----------------|
| Hydro 2000 Inc.                                                                                                                                   |                                       |                 |
| Schedule 10 CEC - Historical Year                                                                                                                 |                                       |                 |
| Cumulative Eligible Capital Additions Cost of Eligible Capital Property Acquired during Test Year                                                 |                                       | 1,913           |
| Other Adjustments                                                                                                                                 | 0                                     |                 |
| Subtotal                                                                                                                                          | 0 x 3/4 =                             | 0               |
| Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday, December 20, 2002 | 0 x 1/2 =                             | 0<br>0 <b>0</b> |
| Amount transferred on amalgamation or wind-up of subsidiary                                                                                       | 0                                     | 0               |
| Subtotal                                                                                                                                          |                                       | 1,913           |
| Deductions                                                                                                                                        |                                       |                 |
| Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year                            |                                       |                 |
| Other Adjustments                                                                                                                                 | 0                                     |                 |
| Subtotal                                                                                                                                          | <u> </u>                              | 0               |
| Cumulative Eligible Capital Balance                                                                                                               |                                       | 1,913           |
| Current Year Deduction                                                                                                                            | 1,913                                 | c 7% = 134      |
| Cumulative Eligible Capital - Closing Balance                                                                                                     |                                       | 1,779           |



## Hydro 2000 Inc. Schedule 13 Tax Reserves - Historical

## Continuity of Reserves

| Description                                                           | Historical Balance as<br>per tax returns | Non-Distribution Eliminations | Utility Only |
|-----------------------------------------------------------------------|------------------------------------------|-------------------------------|--------------|
|                                                                       |                                          |                               |              |
| Capital Gains Reserves ss.40(1)                                       |                                          |                               | 0            |
| Tax Reserves Not Deducted for accounting pu                           | rposes                                   |                               | -            |
| Reserve for doubtful accounts ss. 20(1)(I)                            |                                          |                               | 0            |
| Reserve for goods and services not delivered<br>ss. 20(1)(m)          |                                          |                               | 0            |
| Reserve for unpaid amounts ss. 20(1)(n)                               |                                          |                               | 0            |
| Debt & Share Issue Expenses ss. 20(1)(e)                              |                                          |                               | 0            |
| Other tax reserves                                                    |                                          |                               | 0            |
|                                                                       |                                          |                               | 0            |
|                                                                       |                                          |                               | 0            |
|                                                                       |                                          |                               | 0            |
|                                                                       |                                          |                               | 0            |
|                                                                       |                                          |                               | 0            |
| Total                                                                 | 0                                        | 0                             | 0            |
| Total                                                                 | •                                        |                               |              |
| Financial Statement Reserves (not deductible                          | for Tax Purposes)                        |                               |              |
| General Reserve for Inventory Obsolescence                            |                                          |                               | 0            |
| (non-specific)                                                        |                                          |                               | 0            |
| General reserve for bad debts                                         |                                          |                               | 0            |
| Accrued Employee Future Benefits:                                     |                                          |                               | 0            |
| - Medical and Life Insurance                                          |                                          |                               | 0            |
| -Short & Long-term Disability                                         |                                          |                               | 0            |
| -Accmulated Sick Leave                                                |                                          |                               | 0            |
| - Termination Cost                                                    |                                          |                               | 0            |
| - Other Post-Employment Benefits                                      |                                          |                               | 0            |
| Provision for Environmental Costs                                     |                                          |                               | 0            |
| Restructuring Costs                                                   |                                          |                               | 0            |
| Accrued Contingent Litigation Costs                                   |                                          |                               | 0            |
| Accrued Self-Insurance Costs                                          |                                          |                               | 0            |
| Other Contingent Liabilities                                          |                                          |                               | 0            |
| Bonuses Accrued and Not Paid Within 180 Days<br>of Year-End ss. 78(4) |                                          |                               | 0            |
| Unpaid Amounts to Related Person and Not                              |                                          |                               |              |
| Paid Within 3 Taxation Years ss. 78(1)                                |                                          |                               | 0            |
| Other                                                                 |                                          |                               | 0            |
|                                                                       |                                          |                               |              |
|                                                                       |                                          |                               |              |
|                                                                       |                                          |                               |              |
|                                                                       |                                          |                               | 0            |
|                                                                       |                                          |                               | 0            |
| Total                                                                 | 0                                        | 0                             | 0            |



Hydro 2000 Inc.

Schedule 7-1 Loss Carry Forward - Histroic Year

## **Corporation Loss Continuity and Application**

| Non-Capital Loss Carry Forward Deduction | Total | Non-<br>Distribution<br>Portion | Utility Balance |
|------------------------------------------|-------|---------------------------------|-----------------|
| Actual Historic                          |       |                                 | 0               |
|                                          |       |                                 | ľ               |

|                                          | Total | Non-<br>Distribution | Utility Balance |
|------------------------------------------|-------|----------------------|-----------------|
| Net Capital Loss Carry Forward Deduction |       | Portion              |                 |
| Actual Historic                          |       |                      | 0               |



## **2012 REBASING YEAR**

## Hydro 2000 Inc. Adjusted Taxable Income - Historic Year

|                                                                                                      | T2S1 line # | Total for Legal<br>Entity | Non-Distribution<br>Eliminations | Historic<br>Wires Only |
|------------------------------------------------------------------------------------------------------|-------------|---------------------------|----------------------------------|------------------------|
| Income before PILs/Taxes                                                                             | Α           | -32,102                   |                                  | -32,102                |
| Additions:                                                                                           |             | ,                         |                                  |                        |
| Interest and penalties on taxes                                                                      | 103         |                           |                                  | C                      |
| Amortization of tangible assets                                                                      | 104         | 55,341                    |                                  | 55,341                 |
| Amortization of intangible assets                                                                    | 106         | 00,011                    |                                  | (                      |
| Recapture of capital cost allowance from Schedule 8                                                  | 107         |                           |                                  | (                      |
| Gain on sale of eligible capital property from Schedule 10                                           | 108         |                           |                                  | (                      |
| Income or loss for tax purposes- joint ventures or partnerships                                      | 109         |                           |                                  | (                      |
| Loss in equity of subsidiaries and affiliates                                                        | 110         |                           |                                  | (                      |
| Loss on disposal of assets                                                                           | 111         |                           |                                  | (                      |
| Charitable donations                                                                                 | 112         |                           |                                  |                        |
| Taxable Capital Gains                                                                                | 112         |                           |                                  | (                      |
| Political Donations                                                                                  | 113         |                           |                                  | (                      |
| Deferred and prepaid expenses                                                                        | 114         |                           |                                  | (                      |
| Scientific research expenditures deducted on financial statements                                    | 118         |                           |                                  |                        |
| Capitalized interest                                                                                 | 110         |                           |                                  | (                      |
|                                                                                                      | 119         |                           |                                  | (                      |
| Non-deductible club dues and fees                                                                    | 120         |                           |                                  |                        |
| Non-deductible meals and entertainment expense                                                       |             |                           |                                  | (                      |
| Non-deductible automobile expenses                                                                   | 122         |                           |                                  |                        |
| Non-deductible life insurance premiums                                                               | 123         |                           |                                  | (                      |
| Non-deductible company pension plans                                                                 | 124         |                           |                                  | (                      |
| Tax reserves deducted in prior year                                                                  | 125         |                           |                                  | (                      |
| Reserves from financial statements- balance at end of year                                           | 126         |                           |                                  | (                      |
| Soft costs on construction and renovation of buildings                                               | 127         |                           |                                  | (                      |
| Book loss on joint ventures or partnerships                                                          | 205         |                           |                                  |                        |
| Capital items expensed                                                                               | 206         |                           |                                  | (                      |
| Debt issue expense                                                                                   | 208         |                           |                                  | (                      |
| Development expenses claimed in current year                                                         | 212         |                           |                                  | (                      |
| Financing fees deducted in books                                                                     | 216         |                           |                                  | (                      |
| Gain on settlement of debt                                                                           | 220         |                           |                                  | (                      |
| Non-deductible advertising                                                                           | 226         |                           |                                  | (                      |
| Non-deductible interest                                                                              | 227         |                           |                                  |                        |
| Non-deductible legal and accounting fees                                                             | 228         |                           |                                  | 0                      |
| Recapture of SR&ED expenditures                                                                      | 231         |                           |                                  | (                      |
| Share issue expense                                                                                  | 235         |                           |                                  | C                      |
| Write down of capital property                                                                       | 236         |                           |                                  | C                      |
| Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2) | 237         |                           |                                  | C                      |
| Other Additions                                                                                      |             |                           |                                  | -                      |
| Interest Expensed on Capital Leases                                                                  | 290         |                           |                                  | C                      |
| Realized Income from Deferred Credit Accounts                                                        | 291         |                           |                                  | C                      |
| Pensions                                                                                             | 292         |                           |                                  | (                      |
| Non-deductible penalties                                                                             | 293         |                           |                                  | (                      |
|                                                                                                      | 294         |                           |                                  | (                      |
|                                                                                                      | 295         |                           |                                  | (                      |
| ARO Accretion expense                                                                                |             |                           |                                  | (                      |
| Capital Contributions Received (ITA 12(1)(x))                                                        | 1 1         |                           |                                  | (                      |
| Lease Inducements Received (ITA 12(1)(x))                                                            | 1 1         |                           |                                  |                        |
| Deferred Revenue (ITA 12(1)(a))                                                                      | 1 1         |                           |                                  |                        |
|                                                                                                      | -           |                           |                                  |                        |
| Prior Year Investment Tax Credits received                                                           |             |                           |                                  | (                      |

|                                                                                                        |     | 71,432  |           | 71,43   |
|--------------------------------------------------------------------------------------------------------|-----|---------|-----------|---------|
|                                                                                                        |     | 11,102  |           | ,       |
|                                                                                                        |     |         |           |         |
|                                                                                                        |     |         |           |         |
|                                                                                                        |     |         |           |         |
|                                                                                                        |     |         |           |         |
|                                                                                                        |     |         |           |         |
|                                                                                                        |     |         |           |         |
|                                                                                                        |     |         |           |         |
| Total Additions                                                                                        |     | 276,154 | 0         | 276,154 |
|                                                                                                        |     | 270,104 | Ů         | 270,10  |
| Deductions:                                                                                            |     |         |           |         |
| Gain on disposal of assets per financial statements                                                    | 401 |         |           |         |
| Dividends not taxable under section 83                                                                 | 402 |         |           |         |
| Capital cost allowance from Schedule 8                                                                 | 403 | 75,501  |           | 75,50   |
| Terminal loss from Schedule 8                                                                          | 404 | 10,001  |           | 10,00   |
| Cumulative eligible capital deduction from Schedule 10                                                 | 405 | 134     |           | 13      |
| Allowable business investment loss                                                                     | 406 | 104     |           | 10      |
| Deferred and prepaid expenses                                                                          | 409 |         |           |         |
| Scientific research expenses claimed in year                                                           | 411 |         |           |         |
| Tax reserves claimed in current year                                                                   | 413 | 0       |           |         |
| Reserves from financial statements - balance at beginning of year                                      | 414 | 0       |           |         |
| Contributions to deferred income plans                                                                 | 416 |         |           |         |
| Book income of joint venture or partnership                                                            | 305 |         |           |         |
| Equity in income from subsidiary or affiliates                                                         | 306 |         |           |         |
| Other deductions: (Please explain in detail the nature of the item)                                    | 300 |         |           |         |
|                                                                                                        |     |         |           |         |
| Interest capitalized for accounting deducted for tax                                                   | 390 | 1,041   |           | 1,04    |
| Capital Lease Payments                                                                                 | 391 | 1,041   |           | 1,04    |
| Non-taxable imputed interest income on deferral and variance accounts                                  | 392 |         |           |         |
|                                                                                                        | 393 |         |           |         |
|                                                                                                        | 394 |         |           |         |
| ARO Payments - Deductible for Tax when Paid                                                            | 004 |         |           |         |
| ITA 13(7.4) Election - Capital Contributions Received                                                  |     |         |           |         |
| ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds                                    |     |         |           |         |
| Deferred Revenue - ITA 20(1)(m) reserve                                                                |     |         |           |         |
| Principal portion of lease payments                                                                    |     |         |           |         |
| Lease Inducement Book Amortization credit to income                                                    |     |         |           |         |
| Financing fees for tax ITA 20(1)(e) and (e.1)                                                          |     |         |           |         |
|                                                                                                        |     | 77,202  |           | 77,20   |
|                                                                                                        |     | 11,202  |           | ,       |
|                                                                                                        |     |         |           |         |
|                                                                                                        |     |         |           |         |
|                                                                                                        |     |         |           |         |
|                                                                                                        |     |         |           |         |
|                                                                                                        |     |         |           |         |
|                                                                                                        |     |         |           |         |
| Total Deductions                                                                                       |     | 153,878 | 0         | 153,878 |
| · · · · · · · · · · · · · · · · · · ·                                                                  |     | 100,070 |           | 100,070 |
| Net Income for Tax Purposes                                                                            |     | 90,174  | 0         | 90,174  |
|                                                                                                        | 1   |         | · · · · · |         |
|                                                                                                        |     |         |           |         |
| Charitable donations from Schedule 2                                                                   | 311 |         |           |         |
| Taxable dividends deductible under section 112 or 113, from Schedule 3 (item 82)                       | 320 |         |           | -       |
| Non-capital losses of preceding taxation years from Schedule 4                                         | 331 |         |           | -       |
| Net-capital losses of preceding taxation years from Schedule 4 ( <i>Please include explanation and</i> | 332 |         |           |         |
| calculation in Manager's summary)                                                                      |     |         |           |         |
| imited partnership losses of preceding taxation years from Schedule 4                                  | 335 |         |           |         |
|                                                                                                        |     |         |           |         |
| TAXABLE INCOME                                                                                         |     | 90,174  | 0         | 90,17   |



#### 2012 REBASING YEAR

| Hydro 2000 Inc.                                                                                |                                                                     |                         |     |                       |         |                                           |
|------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|-------------------------|-----|-----------------------|---------|-------------------------------------------|
| PILs Tax Provision - His                                                                       | toric Year                                                          |                         |     |                       |         |                                           |
| Note: Input the actual information                                                             | n from the tax returns for the historic year.                       |                         |     |                       | Wire    | es Only                                   |
| Regulatory Taxable Income                                                                      |                                                                     |                         |     |                       | \$      | 90,174 <b>A</b>                           |
| Ontario Income Taxes<br>Income tax payable                                                     | Ontario Income Tax                                                  | 13.00% <b>B</b>         | \$  | 11,723 <b>C</b> =     | = A * B |                                           |
| Small business credit                                                                          | Ontario Small Business Threshold<br>Rate reduction (negative)       | \$ 90,174 D<br>-8.00% E | -\$ | 7,214 <b>F</b> =      | : D * E |                                           |
| Ontario Income tax                                                                             |                                                                     |                         |     |                       | \$      | 4,509 <b>J = C + F</b>                    |
| Combined Tax Rate and PILs                                                                     | Effective Ontario Tax Rate<br>Federal tax rate<br>Combined tax rate |                         |     | 5.00% K =<br>11.00% L | = J / A | 16.00% M = L + L                          |
| Total Income Taxes<br>Investment Tax Credits<br>Miscellaneous Tax Credits<br>Total Tax Credits |                                                                     |                         |     |                       | \$      | 14,428 N = A * M<br>O<br>P<br>- Q = O + P |
| Corporate PILs/Income Tax Prov                                                                 | ision for Bridge Year                                               |                         |     |                       | \$      | 14,428 R = N - Q                          |



## 2012 REBASING YEAR

Hydro 2000 Inc. Schedule 8 CCA - Bridge Year

| Class      | Class Description                                                          | UCC Regulated<br>Historic Year |    | Additions | Disposals<br>(Negative) | U  | CC Before 1/2 Yr<br>Adjustment | 1/2 Year Rule {1/2<br>Additions Less<br>Disposals} |
|------------|----------------------------------------------------------------------------|--------------------------------|----|-----------|-------------------------|----|--------------------------------|----------------------------------------------------|
| 1          | Distribution System - post 1987                                            | \$<br>175,415                  |    |           |                         | \$ | 175,415                        | \$-                                                |
| 1 Enhanced | Non-residential Buildings Reg. 1100(1)(a.1) election                       |                                |    |           |                         | \$ | -                              | \$-                                                |
| 2          | Distribution System - pre 1988                                             | \$<br>176,153                  |    |           |                         | \$ | 176,153                        | \$-                                                |
| 8          | General Office/Stores Equip                                                | \$<br>1,813                    | \$ | 6,011     |                         | \$ | 7,824                          | \$ 3,006                                           |
| 10         | Computer Hardware/ Vehicles                                                | \$<br>871                      |    |           |                         | \$ | 871                            | \$-                                                |
| 10.1       | Certain Automobiles                                                        |                                |    |           |                         | \$ | -                              | \$-                                                |
| 12         | Computer Software                                                          |                                | \$ | 15,401    |                         | \$ | 15,401                         | \$ 7,701                                           |
| 13 1       | Lease # 1                                                                  |                                | \$ | 16,028    |                         | \$ | 16,028                         | \$ 8,014                                           |
| 13 2       | Lease #2                                                                   |                                |    |           |                         | \$ | -                              | \$-                                                |
| 13 3       | Lease # 3                                                                  |                                |    |           |                         | \$ | -                              | \$-                                                |
| 13 4       | Lease # 4                                                                  |                                |    |           |                         | \$ | -                              | \$-                                                |
| 14         | Franchise                                                                  |                                |    |           |                         | \$ | -                              | \$-                                                |
| 17         | New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs |                                |    |           |                         | \$ | -                              | \$-                                                |
| 42         | Fibre Optic Cable                                                          |                                |    |           |                         | \$ | -                              | \$-                                                |
| 43.1       | Certain Energy-Efficient Electrical Generating Equipment                   |                                |    |           |                         | \$ | -                              | \$-                                                |
| 43.2       | Certain Clean Energy Generation Equipment                                  |                                |    |           |                         | \$ | -                              | \$-                                                |
| 45         | Computers & Systems Software acq'd post Mar 22/04                          | \$<br>463                      |    |           |                         | \$ | 463                            | \$-                                                |
| 46         | Data Network Infrastructure Equipment (acq'd post Mar 22/04)               |                                |    |           |                         | \$ | -                              | \$-                                                |
| 47         | Distribution System - post February 2005                                   | \$<br>343,449                  | \$ | 39,758    |                         | \$ | 383,207                        | \$ 19,879                                          |
| 50         | Data Network Infrastructure Equipment - post Mar 2007                      | \$<br>730                      | \$ | 3,734     |                         | \$ | 4,464                          | \$ 1,867                                           |
| 52         | Computer Hardware and system software                                      |                                |    |           |                         | \$ | -                              | \$-                                                |
| 95         | CWIP                                                                       |                                |    |           |                         | \$ | -                              | \$-                                                |
|            |                                                                            |                                |    |           |                         | \$ | -                              | \$-                                                |
|            |                                                                            |                                |    |           |                         | \$ | -                              | \$-                                                |
|            |                                                                            |                                |    |           |                         | \$ | -                              | \$-                                                |
|            |                                                                            |                                |    |           |                         | \$ | -                              | \$-                                                |
|            |                                                                            |                                |    |           |                         | \$ | -                              | \$ -                                               |
|            |                                                                            |                                |    |           |                         | \$ | -                              | \$ -                                               |
|            |                                                                            |                                |    |           |                         | \$ | -                              | \$ -                                               |
|            |                                                                            |                                |    |           |                         | \$ | -                              | \$ -                                               |
|            |                                                                            |                                |    |           |                         | \$ | -                              | \$ -                                               |
|            |                                                                            |                                |    |           |                         | \$ | -                              | \$ -                                               |
|            | TOTAL                                                                      | \$<br>698,894                  | \$ | 80,932    | \$-                     | \$ | 779,826                        | \$ 40,466                                          |

| Redu | ced UCC | Rate %     | Bridg | Bridge Year CCA |    | End of Bridge<br>Year |
|------|---------|------------|-------|-----------------|----|-----------------------|
| \$   | 175,415 | 4%         | \$    | 7,017           | \$ | 168,398               |
| \$   | -       | <b>6%</b>  | \$    | -               | \$ | -                     |
| \$   | 176,153 | <b>6%</b>  | \$    | 10,569          | \$ | 165,584               |
| \$   | 4,819   | <b>20%</b> | \$    | 964             | \$ | 6,860                 |
| \$   | 871     | 30%        | \$    | 261             | \$ | 610                   |
| \$   | -       | 30%        | \$    | -               | \$ | -                     |
| \$   | 7,701   | 100%       | \$    | 7,701           | \$ | 7,701                 |
| \$   | 8,014   | 0.2        | \$    | 1,603           | \$ | 14,425                |
| \$   | -       |            | \$    | -               | \$ | -                     |
| \$   | -       |            | \$    | -               | \$ | -                     |
| \$   | -       |            | \$    | -               | \$ | -                     |
| \$   | -       |            | \$    | -               | \$ | -                     |
| \$   | -       | 8%         | \$    | -               | \$ | -                     |
| \$   | -       | 12%        | \$    | -               | \$ | -                     |
| \$   | -       | 30%        | \$    | -               | \$ | -                     |
| \$   | -       | <b>50%</b> | \$    | -               | \$ | -                     |
| \$   | 463     | 45%        | \$    | 208             | \$ | 255                   |
| \$   | -       | 30%        | \$    | -               | \$ | -                     |
| \$   | 363,328 | 8%         | \$    | 29,066          | \$ | 354,141               |
| \$   | 2,597   | 55%        | \$    | 1,428           | \$ | 3,036                 |
| \$   | -       | 100%       | \$    | -               | \$ | -                     |
| \$   | -       |            | \$    | -               | \$ | -                     |
| \$   | -       |            | \$    | -               | \$ | -                     |
| \$   | -       |            | \$    | -               | \$ | -                     |
| \$   | -       |            | \$    | -               | \$ | -                     |
| \$   | -       |            | \$    | -               | \$ | -                     |
| \$   | -       |            | \$    | -               | \$ | -                     |
| \$   | -       |            | \$    | -               | \$ | -                     |
| \$   | -       |            | \$    | -               | \$ | -                     |
| \$   | -       |            | \$    | -               | \$ | -                     |
| \$   | -       |            | \$    | -               | \$ | -                     |
|      |         |            | \$    | _               | \$ |                       |
| \$   | -       |            | Ψ     |                 | Ψ  | _                     |

|                                                                                                                                                   |   | Ontario E<br>LS / INCO<br>WORK |        |       |
|---------------------------------------------------------------------------------------------------------------------------------------------------|---|--------------------------------|--------|-------|
| Hydro 2000 Inc.                                                                                                                                   |   |                                |        |       |
| Schedule 10 CEC - Bridge Year                                                                                                                     |   |                                |        |       |
| Cumulative Eligible Capital                                                                                                                       |   |                                |        | 1,779 |
| Additions           Cost of Eligible Capital Property Acquired during Test Year                                                                   |   |                                |        |       |
| Other Adjustments                                                                                                                                 | 0 |                                |        |       |
| Subtotal                                                                                                                                          | 0 | x 3/4 =                        | 0      |       |
| Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday, December 20, 2002 | 0 | x 1/2 =<br>                    | 0      | 0     |
| Amount transferred on amalgamation or wind-up of subsidiary                                                                                       | 0 |                                |        | 0     |
| Subtotal                                                                                                                                          |   |                                |        | 1,779 |
| Deductions                                                                                                                                        |   |                                |        |       |
| Proceeds of sale (less outlays and expenses not otherwise deductible)<br>from the disposition of all ECP during Test Year                         |   |                                |        |       |
| Other Adjustments                                                                                                                                 | 0 |                                |        |       |
| Subtotal                                                                                                                                          | 0 | x 3/4 =                        |        | 0     |
| Cumulative Eligible Capital Balance                                                                                                               |   |                                |        | 1,779 |
| Current Year Deduction                                                                                                                            |   | 1,779                          | x 7% = | 125   |
| Cumulative Eligible Capital - Closing Balance                                                                                                     |   |                                |        | 1,655 |



Hydro 2000 Inc. Schedule 13 Tax Reserves - Bridge Year

#### Continuity of Reserves

|                                                                                |                       |                                                   |                             | Bridge Year Adjustments |           |                            |                           |                     |
|--------------------------------------------------------------------------------|-----------------------|---------------------------------------------------|-----------------------------|-------------------------|-----------|----------------------------|---------------------------|---------------------|
| Description                                                                    | Historic Utility Only | Eliminate Amounts Not<br>Relevant for Bridge Year | Adjusted Utility<br>Balance | Additions               | Disposals | Balance for Bridge<br>Year | Change During the<br>Year | Disallowed Expenses |
|                                                                                | 1                     |                                                   |                             |                         |           |                            |                           |                     |
| Capital Gains Reserves ss.40(1)                                                | 0                     |                                                   | 0                           |                         |           | 0                          | 0                         |                     |
| Tax Reserves Not Deducted for accounting purposes                              |                       |                                                   |                             |                         |           |                            |                           |                     |
| Reserve for doubtful accounts ss. 20(1)(I)                                     | 0                     |                                                   | 0                           |                         |           | 0                          | 0                         |                     |
| Reserve for goods and services not delivered ss. 20(1)(m)                      | 0                     |                                                   | 0                           |                         |           | 0                          | 0                         |                     |
| Reserve for unpaid amounts ss. 20(1)(n)                                        | 0                     |                                                   | 0                           |                         |           | 0                          | 0                         |                     |
| Debt & Share Issue Expenses ss. 20(1)(e)                                       | 0                     |                                                   | 0                           |                         |           | 0                          | 0                         |                     |
| Other tax reserves                                                             | 0                     |                                                   | 0                           |                         |           | 0                          | 0                         |                     |
|                                                                                | 0                     |                                                   | 0                           |                         |           | 0                          | 0                         |                     |
|                                                                                | 0                     |                                                   | 0                           |                         |           | 0                          | 0                         |                     |
| Total                                                                          | 0                     | 0                                                 | 0                           | 0                       | 0         | 0                          | 0                         | 0                   |
|                                                                                |                       |                                                   |                             |                         |           |                            |                           |                     |
| Financial Statement Reserves (not deductible for Tax Purposes)                 |                       |                                                   |                             |                         |           |                            |                           |                     |
| General Reserve for Inventory Obsolescence (non-specific)                      | 0                     |                                                   | 0                           |                         |           | 0                          | 0                         |                     |
| General reserve for bad debts                                                  | 0                     |                                                   | 0                           |                         |           | 0                          | 0                         |                     |
| Accrued Employee Future Benefits:                                              | 0                     |                                                   | 0                           |                         |           | 0                          | 0                         |                     |
| - Medical and Life Insurance                                                   | 0                     |                                                   | 0                           |                         |           | 0                          | 0                         |                     |
| -Short & Long-term Disability                                                  | 0                     |                                                   | 0                           |                         |           | 0                          | 0                         |                     |
| -Accmulated Sick Leave                                                         | 0                     |                                                   | 0                           |                         |           | 0                          | 0                         |                     |
| - Termination Cost                                                             | 0                     |                                                   | 0                           |                         |           | 0                          | 0                         |                     |
| - Other Post-Employment Benefits                                               | 0                     |                                                   | 0                           |                         |           | 0                          | 0                         |                     |
| Provision for Environmental Costs                                              | 0                     |                                                   | 0                           |                         |           | 0                          | 0                         |                     |
| Restructuring Costs                                                            | 0                     |                                                   | 0                           |                         |           | 0                          | 0                         |                     |
| Accrued Contingent Litigation Costs                                            | 0                     |                                                   | 0                           |                         |           | 0                          | 0                         |                     |
| Accrued Self-Insurance Costs                                                   | 0                     |                                                   | 0                           |                         |           | 0                          | 0                         |                     |
| Other Contingent Liabilities                                                   | 0                     |                                                   | 0                           |                         |           | 0                          | 0                         |                     |
| Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)             | 0                     |                                                   | 0                           |                         |           | 0                          | 0                         |                     |
| Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years s. 78(1) | 0                     |                                                   | 0                           |                         |           | 0                          | 0                         |                     |
| Other                                                                          | 0                     |                                                   | 0                           |                         |           | 0                          | 0                         |                     |
|                                                                                | 0                     |                                                   | 0                           |                         |           | 0                          | 0                         |                     |
|                                                                                | 0                     |                                                   | 0                           |                         |           | 0                          | 0                         |                     |
| Total                                                                          | 0                     | 0                                                 | 0                           | 0                       | 0         | 0                          | 0                         | 0                   |



Hydro 2000 Inc.

## Schedule 7-1 Loss Carry Forward - Bridge Year

## **Corporation Loss Continuity and Application**

| Non-Capital Loss Carry Forward Deduction                                  | Total |
|---------------------------------------------------------------------------|-------|
| Actual Historic                                                           | 0     |
| Application of Loss Carry Forward to reduce taxable income in Bridge Year |       |
| Other Adjustments Add (+) Deduct (-)                                      |       |
| Balance available for use in Test Year                                    | 0     |
| Amount to be used in Bridge Year                                          |       |
| Balance available for use post Bridge Year                                | 0     |

| Net Capital Loss Carry Forward Deduction                                  | Total |
|---------------------------------------------------------------------------|-------|
| Actual Historic                                                           | 0     |
| Application of Loss Carry Forward to reduce taxable income in Bridge Year |       |
| Other Adjustments Add (+) Deduct (-)                                      |       |
| Balance available for use in Test Year                                    | 0     |
| Amount to be used in Bridge Year                                          |       |
| Balance available for use post Bridge Year                                | 0     |



Hydro 2000 Inc.

## Adjusted Taxable Income - Bridge Year

|                                                                                                            | T2S1 line # | Total for<br>Regulated Utility |
|------------------------------------------------------------------------------------------------------------|-------------|--------------------------------|
| Income before PILs/Taxes                                                                                   | Α           | -75,813                        |
|                                                                                                            |             |                                |
| Additions:                                                                                                 |             |                                |
| Interest and penalties on taxes                                                                            | 103         |                                |
| Amortization of tangible assets                                                                            | 104         | 60,752                         |
| Amortization of intangible assets                                                                          | 106         |                                |
| Recapture of capital cost allowance from<br>Schedule 8                                                     | 107         |                                |
| Gain on sale of eligible capital property from<br>Schedule 10                                              | 108         |                                |
| Income or loss for tax purposes- joint ventures<br>or partnerships                                         | 109         |                                |
| Loss in equity of subsidiaries and affiliates                                                              | 110         |                                |
| Loss on disposal of assets                                                                                 | 111         |                                |
| Charitable donations                                                                                       | 112         |                                |
| Taxable Capital Gains                                                                                      | 113         |                                |
| Political Donations                                                                                        | 114         |                                |
| Deferred and prepaid expenses                                                                              | 116         |                                |
| Scientific research expenditures deducted on<br>financial statements                                       | 118         |                                |
| Capitalized interest                                                                                       | 119         |                                |
| Non-deductible club dues and fees                                                                          | 120         |                                |
| Non-deductible meals and entertainment expense                                                             | 121         |                                |
| Non-deductible automobile expenses                                                                         | 122         |                                |
| Non-deductible life insurance premiums                                                                     | 123         |                                |
| Non-deductible company pension plans                                                                       | 124         |                                |
| Tax reserves deducted in prior year                                                                        | 125         | C                              |
| Reserves from financial statements- balance<br>at end of year                                              | 126         | C                              |
| Soft costs on construction and renovation of<br>buildings                                                  | 127         |                                |
| Book loss on joint ventures or partnerships                                                                | 205         |                                |
| Capital items expensed                                                                                     | 206         |                                |
| Debt issue expense                                                                                         | 208         |                                |
| Development expenses claimed in current<br>year                                                            | 212         |                                |
| Financing fees deducted in books                                                                           | 216         |                                |
| Gain on settlement of debt                                                                                 | 220         |                                |
| Non-deductible advertising                                                                                 | 226         |                                |
| Non-deductible interest                                                                                    | 227         |                                |
| Non-deductible legal and accounting fees                                                                   | 228         |                                |
| Recapture of SR&ED expenditures                                                                            | 231         |                                |
| Share issue expense                                                                                        | 235         |                                |
| Write down of capital property                                                                             | 236         |                                |
| Amounts received in respect of qualifying<br>environment trust per paragraphs 12(1)(z.1)<br>and 12(1)(z.2) | 237         |                                |



Hydro 2000 Inc.

## Adjusted Taxable Income - Bridge Year

| Other Additions                                                        |     |        |
|------------------------------------------------------------------------|-----|--------|
| Interest Expensed on Capital Leases                                    | 290 |        |
| Realized Income from Deferred Credit                                   |     |        |
| Accounts                                                               | 291 |        |
| Pensions                                                               | 292 |        |
| Non-deductible penalties                                               | 293 |        |
|                                                                        | 294 |        |
|                                                                        | 295 |        |
| ARO Accretion expense                                                  |     |        |
| Capital Contributions Received (ITA 12(1)(x))                          |     |        |
| Lease Inducements Received (ITA 12(1)(x))                              |     |        |
| Deferred Revenue (ITA 12(1)(a))                                        |     |        |
| Prior Year Investment Tax Credits received                             |     |        |
| Interest on long term debt                                             |     | 9,686  |
|                                                                        |     |        |
|                                                                        |     |        |
|                                                                        |     |        |
|                                                                        |     |        |
|                                                                        |     |        |
|                                                                        |     |        |
|                                                                        |     |        |
|                                                                        |     |        |
|                                                                        |     |        |
| Total Additions                                                        |     | 70,438 |
| Deductions:                                                            |     | 1      |
| Gain on disposal of assets per financial<br>statements                 | 401 |        |
| Dividends not taxable under section 83                                 | 402 |        |
| Capital cost allowance from Schedule 8                                 | 403 | 58,817 |
| Terminal loss from Schedule 8                                          | 404 |        |
| Cumulative eligible capital deduction from<br>Schedule 10              | 405 | 125    |
| Allowable business investment loss                                     | 406 |        |
| Deferred and prepaid expenses                                          | 409 |        |
| Scientific research expenses claimed in year                           | 411 |        |
| Tax reserves claimed in current year                                   | 413 | 0      |
| Reserves from financial statements - balance<br>at beginning of year   | 414 | 0      |
| Contributions to deferred income plans                                 | 416 |        |
| Book income of joint venture or partnership                            | 305 |        |
| Equity in income from subsidiary or affiliates                         | 306 |        |
| Other deductions: (Please explain in detail the<br>nature of the item) |     |        |
|                                                                        |     |        |
|                                                                        |     |        |



Hydro 2000 Inc.

## Adjusted Taxable Income - Bridge Year

| Interest capitalized for accounting deducted<br>for tax                                                                                   | 390 |         |
|-------------------------------------------------------------------------------------------------------------------------------------------|-----|---------|
| Capital Lease Payments                                                                                                                    | 391 |         |
| Non-taxable imputed interest income on deferral and variance accounts                                                                     | 392 |         |
|                                                                                                                                           | 393 |         |
|                                                                                                                                           | 394 |         |
| ARO Payments - Deductible for Tax when<br>Paid                                                                                            |     |         |
| ITA 13(7.4) Election - Capital Contributions<br>Received                                                                                  |     |         |
| ITA 13(7.4) Election - Apply Lease<br>Inducement to cost of Leaseholds                                                                    |     |         |
| Deferred Revenue - ITA 20(1)(m) reserve                                                                                                   |     |         |
| Principal portion of lease payments                                                                                                       |     |         |
| Lease Inducement Book Amortization credit to income                                                                                       |     |         |
| Financing fees for tax ITA 20(1)(e) and (e.1)                                                                                             |     |         |
| Deemed interest on long term debt                                                                                                         |     | 26,235  |
|                                                                                                                                           |     |         |
|                                                                                                                                           |     |         |
|                                                                                                                                           |     |         |
|                                                                                                                                           |     |         |
|                                                                                                                                           |     |         |
|                                                                                                                                           |     |         |
|                                                                                                                                           |     |         |
| Total Deductions                                                                                                                          |     | 85,177  |
| Net Income for Tax Durnesse                                                                                                               |     | 00.550  |
| Net Income for Tax Purposes<br>Charitable donations from Schedule 2                                                                       | 311 | -90,552 |
|                                                                                                                                           | 011 |         |
| Taxable dividends deductible under section 112<br>or 113, from Schedule 3 (item 82)                                                       | 320 |         |
| Non-capital losses of preceding taxation years<br>from Schedule 4                                                                         | 331 |         |
| Net-capital losses of preceding taxation years from Schedule 4 ( <i>Please include explanation and calculation in Manager's summary</i> ) | 332 |         |
| Limited partnership losses of preceding taxation years from Schedule 4                                                                    | 335 |         |
|                                                                                                                                           | [   |         |
| TAXABLE INCOME                                                                                                                            | l   | -90,552 |



#### 2012 REBASING YEAR

| Hydro 2000 Inc.                                                                                |                                                                     |                |        |                |                |                                      |
|------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|----------------|--------|----------------|----------------|--------------------------------------|
| PILs Tax Provision - B                                                                         | ridge Year                                                          |                |        |                |                |                                      |
|                                                                                                |                                                                     |                |        |                |                | Wires Only                           |
| Regulatory Taxable Income                                                                      |                                                                     |                |        |                |                | -\$ 90,552 <b>A</b>                  |
| Ontario Income Taxes<br>Income tax payable                                                     | Ontario Income Tax                                                  | 4.50%          | в      | \$<br>-        | C = A * B      |                                      |
| Small business credit                                                                          | Ontario Small Business Threshold<br>Rate reduction                  | \$ -<br>-7.25% | D<br>E | \$<br>-        | F = D * E      |                                      |
| Ontario Income tax                                                                             |                                                                     |                |        |                |                | \$ - J = C + F                       |
| Combined Tax Rate and PILs                                                                     | Effective Ontario Tax Rate<br>Federal tax rate<br>Combined tax rate |                |        | 0.00%<br>0.00% | K = J / A<br>L | 0.00% M = L + L                      |
| Total Income Taxes<br>Investment Tax Credits<br>Miscellaneous Tax Credits<br>Total Tax Credits |                                                                     |                |        |                |                | \$N = A * M<br>O<br>P<br>\$Q = O + P |
| Corporate PILs/Income Tax Pr                                                                   | ovision for Bridge Year                                             |                |        |                |                | \$ - R = N - Q                       |

#### Note:

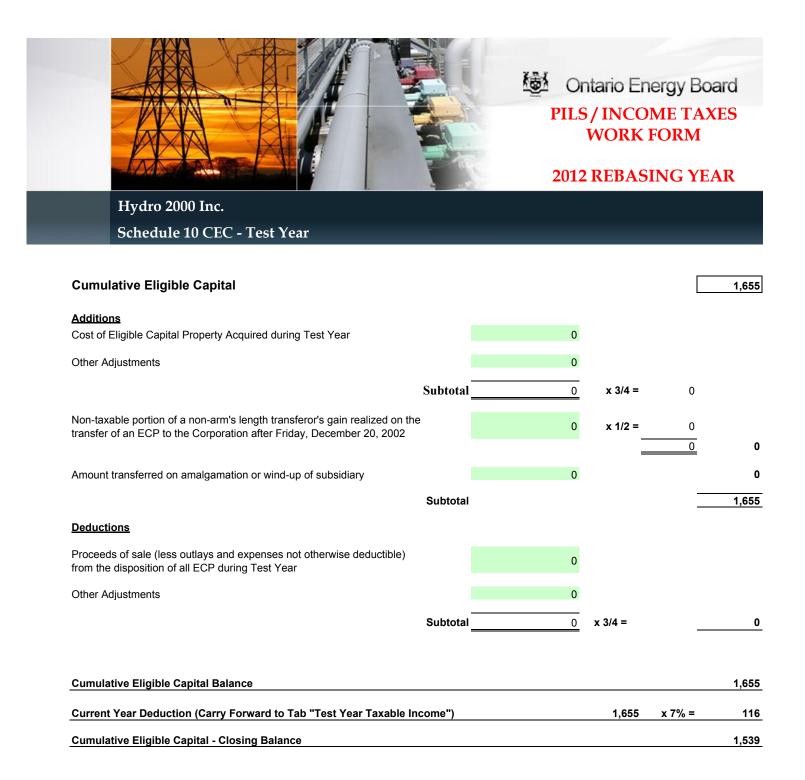
1. This is for the derivation of Bridge year PILs income tax expense and should not be used for Test year revenue requirement calculations.



Hydro 2000 Inc. Schedule 8 CCA - Test Year

| Class      | Class Description                                                      | -  | CTest Year<br>ing Balance | Additions                             | Disposals<br>(Negative) | <br>Before 1/2 Yr<br>djustment | 1/2 Year Rule {1/2<br>Additions Less<br>Disposals} |
|------------|------------------------------------------------------------------------|----|---------------------------|---------------------------------------|-------------------------|--------------------------------|----------------------------------------------------|
| 1          | Distribution System - post 1987                                        | \$ | 168,398                   |                                       |                         | \$<br>168,398                  | \$ -                                               |
| 1 Enhanced | Non-residential Buildings Reg. 1100(1)(a.1) election                   | \$ | -                         |                                       |                         | \$<br>-                        | \$-                                                |
| 2          | Distribution System - pre 1988                                         | \$ | 165,584                   |                                       |                         | \$<br>165,584                  | \$-                                                |
| 8          | General Office/Stores Equip                                            | \$ | 6,860                     | 1,000                                 |                         | \$<br>7,860                    | \$ 500                                             |
| 10         | Computer Hardware/ Vehicles                                            | \$ | 610                       |                                       |                         | \$<br>610                      | \$-                                                |
| 10.1       | Certain Automobiles                                                    | \$ | -                         |                                       |                         | \$<br>-                        | \$-                                                |
| 12         | Computer Software                                                      | \$ | 7,701                     | 9,000                                 |                         | \$<br>16,701                   | \$ 4,500                                           |
| 13 1       | Lease # 1                                                              | \$ | 14,425                    |                                       |                         | \$<br>14,425                   | \$ -                                               |
| 13 2       | Lease #2                                                               | \$ | -                         |                                       |                         | \$<br>-                        | \$ -                                               |
| 13 3       | Lease # 3                                                              | \$ | -                         |                                       |                         | \$<br>-                        | \$-                                                |
| 13 4       | Lease # 4                                                              | \$ | -                         |                                       |                         | \$<br>-                        | \$ -                                               |
| 14         | Franchise                                                              | \$ | -                         |                                       |                         | \$<br>-                        | \$ -                                               |
| 17         | New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than B | \$ | -                         |                                       |                         | \$<br>-                        | \$ -                                               |
|            | Fibre Optic Cable                                                      | \$ | -                         |                                       |                         | \$<br>-                        | \$ -                                               |
| 43.1       | Certain Energy-Efficient Electrical Generating Equipment               | \$ | -                         |                                       |                         | \$<br>-                        | \$-                                                |
|            | Certain Clean Energy Generation Equipment                              | \$ | -                         |                                       |                         | \$<br>-                        | \$ -                                               |
|            | Computers & Systems Software acq'd post Mar 22/04                      | \$ | 255                       |                                       |                         | \$<br>255                      | \$-                                                |
|            | Data Network Infrastructure Equipment (acq'd post Mar 22/04)           | \$ | -                         |                                       |                         | \$<br>-                        | \$ -                                               |
|            | Distribution System - post February 2005                               | \$ | 354,141                   | 43,000                                |                         | \$<br>397,141                  | \$ 21,500                                          |
|            | Data Network Infrastructure Equipment - post Mar 2007                  | \$ | 3,036                     | 3,000                                 |                         | \$<br>6,036                    | \$ 1,500                                           |
|            | Computer Hardware and system software                                  | \$ | -                         | , , , , , , , , , , , , , , , , , , , |                         | \$<br>-                        | \$ -                                               |
|            | CWIP                                                                   | \$ | -                         |                                       |                         | \$<br>-                        | \$ -                                               |
|            |                                                                        |    |                           |                                       |                         | \$<br>-                        | \$ -                                               |
|            |                                                                        |    |                           |                                       |                         | \$<br>-                        | \$-                                                |
|            |                                                                        |    |                           |                                       |                         | \$<br>-                        | \$ -                                               |
|            |                                                                        |    |                           |                                       |                         | \$<br>-                        | \$ -                                               |
|            |                                                                        |    |                           |                                       |                         | \$<br>-                        | \$ -                                               |
|            |                                                                        |    |                           |                                       |                         | \$<br>-                        | \$ -                                               |
|            |                                                                        |    |                           |                                       |                         | \$<br>-                        | \$ -                                               |
|            |                                                                        |    |                           |                                       |                         | \$<br>-                        | \$ -                                               |
|            |                                                                        |    |                           |                                       |                         | \$<br>-                        | \$ -                                               |
|            |                                                                        |    |                           |                                       |                         | \$<br>-                        | \$ -                                               |
|            | TOTAL                                                                  | \$ | 721,009                   | \$ 56,000                             | \$-                     | \$<br>777,009                  | \$ 28,000                                          |

| Reduc | ed UCC  | Rate %     | Test Year CCA |        | UC | C End of Test<br>Year |
|-------|---------|------------|---------------|--------|----|-----------------------|
| \$    | 168,398 | 4%         | \$            | 6,736  | \$ | 161,662               |
| \$    | -       | <b>6%</b>  | \$            | -      | \$ | -                     |
| \$    | 165,584 | <b>6%</b>  | \$            | 9,935  | \$ | 155,649               |
| \$    | 7,360   | <b>20%</b> | \$            | 1,472  | \$ | 6,388                 |
| \$    | 610     | 30%        | \$            | 183    | \$ | 427                   |
| \$    | -       | 30%        | \$            | -      | \$ | -                     |
| \$    | 12,201  | 100%       | \$            | 12,201 | \$ | 4,500                 |
| \$    | 14,425  | 0.2        | \$            | 2,885  | \$ | 11,540                |
| \$    | -       |            | \$            | -      | \$ | -                     |
| \$    | -       |            | \$            | -      | \$ | -                     |
| \$    | -       |            | \$            | -      | \$ | -                     |
| \$    | -       |            | \$            | -      | \$ | -                     |
| \$    | -       | 8%         | \$            | -      | \$ | -                     |
| \$    | -       | 12%        | \$            | -      | \$ | -                     |
| \$    | -       | 30%        | \$            | -      | \$ | -                     |
| \$    | -       | <b>50%</b> | \$            | -      | \$ | -                     |
| \$    | 255     | <b>45%</b> | \$            | 115    | \$ | 140                   |
| \$    | -       | <b>30%</b> | \$            | -      | \$ | -                     |
| \$    | 375,641 | 8%         | \$            | 30,051 | \$ | 367,089               |
| \$    | 4,536   | <b>55%</b> | \$            | 2,495  | \$ | 3,541                 |
| \$    | -       | 100%       | \$            | -      | \$ | -                     |
| \$    | -       | 0%         | \$            | -      | \$ | -                     |
| \$    | -       | 0%         | \$            | -      | \$ | -                     |
| \$    | -       | 0%         | \$            | -      | \$ | -                     |
| \$    | -       | 0%         | \$            | -      | \$ | -                     |
| \$    | -       | 0%         | \$            |        | \$ | -                     |
| \$    | -       | 0%         | \$            |        | \$ | -                     |
| \$    | -       | 0%         | \$            | -      | \$ | -                     |
| \$    | -       | 0%         | \$            | -      | \$ | -                     |
| \$    | -       | 0%         | \$            | -      | \$ | -                     |
| \$    | -       | 0%         | \$            | -      | \$ | -                     |
| \$    | -       | 0%         | \$            | -      | \$ | -                     |
| \$    | 749,009 |            | \$            | 66,072 | \$ | 710,937               |





Ontario Energy Board

2012 REBASING YEAR

Hydro 2000 Inc.

Schedule 13 Tax Reserves - Test Year

#### Continuity of Reserves

|                                                                                 |             |                                                   |                             | Test Year Adjustments |           |                       |                           |                     |
|---------------------------------------------------------------------------------|-------------|---------------------------------------------------|-----------------------------|-----------------------|-----------|-----------------------|---------------------------|---------------------|
| Description                                                                     | Bridge Year | Eliminate Amounts Not<br>Relevant for Bridge Year | Adjusted Utility<br>Balance | Additions             | Disposals | Balance for Test Year | Change During the<br>Year | Disallowed Expenses |
|                                                                                 |             |                                                   |                             |                       |           |                       |                           |                     |
| Capital Gains Reserves ss.40(1)                                                 | 0           |                                                   | 0                           |                       |           | 0                     | C                         |                     |
| Tax Reserves Not Deducted for accounting purposes                               |             |                                                   |                             |                       |           |                       |                           |                     |
| Reserve for doubtful accounts ss. 20(1)(I)                                      | 0           |                                                   | 0                           |                       |           | 0                     | C                         |                     |
| Reserve for goods and services not delivered ss. 20(1)(m)                       | 0           |                                                   | 0                           |                       |           | 0                     | C                         |                     |
| Reserve for unpaid amounts ss. 20(1)(n)                                         | 0           |                                                   | 0                           |                       |           | 0                     | C                         |                     |
| Debt & Share Issue Expenses ss. 20(1)(e)                                        | 0           |                                                   | 0                           |                       |           | 0                     | C                         |                     |
| Other tax reserves                                                              | 0           |                                                   | 0                           |                       |           | 0                     | C                         |                     |
|                                                                                 | 0           |                                                   | 0                           |                       |           | 0                     | C                         |                     |
|                                                                                 | 0           |                                                   | 0                           |                       |           | 0                     | C                         |                     |
| Total                                                                           | 0           | 0                                                 | 0                           | 0                     | 0         | 0                     | 0                         | 0                   |
|                                                                                 |             |                                                   |                             |                       |           |                       |                           |                     |
| Financial Statement Reserves (not deductible for Tax Purposes)                  |             |                                                   |                             |                       |           |                       |                           |                     |
| General Reserve for Inventory Obsolescence (non-specific)                       | 0           |                                                   | 0                           |                       |           | 0                     | C                         |                     |
| General reserve for bad debts                                                   | 0           |                                                   | 0                           |                       |           | 0                     | C                         |                     |
| Accrued Employee Future Benefits:                                               | 0           |                                                   | 0                           |                       |           | 0                     | C                         |                     |
| - Medical and Life Insurance                                                    | 0           |                                                   | 0                           |                       |           | 0                     | C                         |                     |
| -Short & Long-term Disability                                                   | 0           |                                                   | 0                           |                       |           | 0                     | C                         |                     |
| -Accmulated Sick Leave                                                          | 0           |                                                   | 0                           |                       |           | 0                     | C                         |                     |
| - Termination Cost                                                              | 0           |                                                   | 0                           |                       |           | 0                     | C                         |                     |
| - Other Post-Employment Benefits                                                | 0           |                                                   | 0                           |                       |           | 0                     | C                         |                     |
| Provision for Environmental Costs                                               | 0           |                                                   | 0                           |                       |           | 0                     | C                         |                     |
| Restructuring Costs                                                             | 0           |                                                   | 0                           |                       |           | 0                     | C                         |                     |
| Accrued Contingent Litigation Costs                                             | 0           |                                                   | 0                           |                       |           | 0                     | C                         |                     |
| Accrued Self-Insurance Costs                                                    | 0           |                                                   | 0                           |                       |           | 0                     | C                         |                     |
| Other Contingent Liabilities                                                    | 0           |                                                   | 0                           |                       |           | 0                     | C                         |                     |
| Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)              | 0           |                                                   | 0                           |                       |           | 0                     | C                         |                     |
| Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1) | 0           |                                                   | 0                           |                       |           | 0                     | C                         |                     |
| Other                                                                           | ٥           |                                                   | ٥                           |                       |           | 0                     | n                         |                     |
|                                                                                 | 0           |                                                   | 0                           |                       |           | 0                     | 0                         |                     |
|                                                                                 | 0           |                                                   | 0                           |                       |           | 0                     | 0                         |                     |
| Total                                                                           | 0           | 0                                                 | 0                           | 0                     | 0         | 0                     | 0                         | 0                   |



**2012 REBASING YEAR** 

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Hydro 2000 Inc.

Other Adjustments Add (+) Deduct (-)

Balance available for use in Test Year

Balance available for use post Test Year

Amount to be used in Test Year

Schedule 7-1 Loss Carry Forward - Test Year

## Corporation Loss Continuity and Application

| Non-Capital Loss Carry Forward Deduction                           | Total | Non-<br>Distribution<br>Portion | Utility Balance |
|--------------------------------------------------------------------|-------|---------------------------------|-----------------|
| Actual/Estimated Bridge Year                                       |       |                                 | 0               |
| Application of Loss Carry Forward to reduce taxable income in 2005 |       |                                 | 0               |
| Other Adjustments Add (+) Deduct (-)                               |       |                                 | 0               |
| Balance available for use in Test Year                             | C     | 0                               | 0               |
| Amount to be used in Test Year                                     |       |                                 | 0               |
| Balance available for use post Test Year                           | C     | 0                               | 0               |
| Net Capital Loss Carry Forward Deduction                           | Total | Non-<br>Distribution<br>Portion | Utility Balance |
| Actual/Estimated Bridge Year                                       |       |                                 | 0               |
| Application of Loss Carry Forward to reduce taxable income in 2005 |       |                                 | 0               |



Ontario Energy Board PILS / INCOME TAXES

# WORK FORM

## **2012 REBASING YEAR**

Hydro 2000 Inc.

## Taxable Income - Test Year

| Additions:<br>Interest and penalties on taxes 103                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | ear<br>le<br>le |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| Additions:103Interest and penalties on taxes103Amortization of tangible assets1042-4 ADJUSTED ACCOUNTING DATA P489106Amortization of intangible assets1062-4 ADJUSTED ACCOUNTING DATA P490106Recapture of capital cost allowance from<br>Schedule 8107Gain on sale of eligible capital property from<br>partnerships108Loss in equity of subsidiaries and affiliates110Loss on disposal of assets111Charitable donations112Taxable Capital Gains113Political Donations114Deferred and prepaid expenses116Scientific research expenditures deducted on<br>financial statements119Non-deductible club dues and fees120Non-deductible meals and entertainment<br>expense121Non-deductible company pension plans124Tax reserves beginning of year125Reserves from financial statements-<br>balance at<br>end of year126Don-deductible company pension plans127Book loss on joint ventures or partnerships205Capital items expense206Debt issue expense206Debt issue expense208                                                                              | ,92(            |
| Additions:103Interest and penalties on taxes103Amortization of tangible assets1042-4 ADJUSTED ACCOUNTING DATA P489106Amortization of intangible assets1062-4 ADJUSTED ACCOUNTING DATA P490106Recapture of capital cost allowance from<br>Schedule 8107Gain on sale of eligible capital property from<br>partnerships108Loss in equity of subsidiaries and affiliates110Loss on disposal of assets111Charitable donations112Taxable Capital Gains113Political Donations114Deferred and prepaid expenses116Scientific research expenditures deducted on<br>financial statements119Non-deductible club dues and fees120Non-deductible meals and entertainment<br>expense121Tax reserves beginning of year123Non-deductible company pension plans124Tax reserves from financial statements-<br>balance at<br>end of year126Soft costs on construction and renovation of<br>buildings127Book loss on joint ventures or partnerships205Capital items expense206Debt issue expense206Debt issue expense208                                                     |                 |
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| 2-4 ADJUSTED ACCOUNTING DATA P48910470Amortization of intangible assets<br>2-4 ADJUSTED ACCOUNTING DATA P490106Recapture of capital cost allowance from<br>Schedule 8107Gain on sale of eligible capital property from<br>Schedule 10108Income or loss for tax purposes- joint ventures or<br>partnerships109Loss in equity of subsidiaries and affiliates110Loss on disposal of assets111Charitable donations112Taxable Capital Gains113Political Donations114Deferred and prepaid expenses116Scientific research expenditures deducted on<br>financial statements118Capitalized interest119Non-deductible club dues and fees120Non-deductible meals and entertainment<br>expense121Non-deductible life insurance premiums123Non-deductible company pension plans124Tax reserves beginning of year125Reserves from financial statements- balance at<br>end of year126Soft costs on construction and renovation of<br>buildings127Book loss on joint ventures or partnerships205Capital items expense206Debt issue expense208                           |                 |
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| partnerships109Loss in equity of subsidiaries and affiliates110Loss on disposal of assets111Charitable donations112Taxable Capital Gains113Political Donations114Deferred and prepaid expenses116Scientific research expenditures deducted on<br>financial statements118Capitalized interest119Non-deductible club dues and fees120Non-deductible meals and entertainment<br>expense121Non-deductible if insurance premiums123Non-deductible company pension plans124Tax reserves beginning of year125Reserves from financial statements- balance at<br>end of year126Soft costs on construction and renovation of<br>buildings127Book loss on joint ventures or partnerships205Capital items expense206Debt issue expense208                                                                                                                                                                                                                                                                                                                           |                 |
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| Charitable donations112Taxable Capital Gains113Political Donations114Deferred and prepaid expenses116Scientific research expenditures deducted on<br>financial statements118Capitalized interest119Non-deductible club dues and fees120Non-deductible meals and entertainment<br>expense121Non-deductible automobile expenses122Non-deductible life insurance premiums123Non-deductible company pension plans124Tax reserves beginning of year125Reserves from financial statements- balance at<br>end of year126Soft costs on construction and renovation of<br>buildings127Book loss on joint ventures or partnerships205Capital items expense208                                                                                                                                                                                                                                                                                                                                                                                                     |                 |
| Taxable Capital Gains113Political Donations114Deferred and prepaid expenses116Scientific research expenditures deducted on<br>financial statements118Capitalized interest119Non-deductible club dues and fees120Non-deductible meals and entertainment<br>expense121Non-deductible automobile expenses122Non-deductible life insurance premiums123Non-deductible company pension plans124Tax reserves beginning of year125Reserves from financial statements- balance at<br>end of year126Soft costs on construction and renovation of<br>buildings127Book loss on joint ventures or partnerships205Capital items expense208                                                                                                                                                                                                                                                                                                                                                                                                                            |                 |
| Political Donations114Deferred and prepaid expenses116Scientific research expenditures deducted on<br>financial statements118Capitalized interest119Non-deductible club dues and fees120Non-deductible meals and entertainment<br>expense121Non-deductible automobile expenses122Non-deductible life insurance premiums123Non-deductible company pension plans124Tax reserves beginning of year125Reserves from financial statements- balance at<br>end of year126Soft costs on construction and renovation of<br>buildings127Book loss on joint ventures or partnerships205Capital items expense208                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                 |
| Deferred and prepaid expenses116Scientific research expenditures deducted on<br>financial statements118Capitalized interest119Non-deductible club dues and fees120Non-deductible meals and entertainment<br>expense121Non-deductible automobile expenses122Non-deductible life insurance premiums123Non-deductible company pension plans124Tax reserves beginning of year125Reserves from financial statements- balance at<br>end of year126Soft costs on construction and renovation of<br>buildings127Book loss on joint ventures or partnerships205Capital items expense208                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                 |
| Scientific research expenditures deducted on<br>financial statements118Capitalized interest119Non-deductible club dues and fees120Non-deductible meals and entertainment<br>expense121Non-deductible automobile expenses122Non-deductible life insurance premiums123Non-deductible company pension plans124Tax reserves beginning of year125Reserves from financial statements- balance at<br>end of year126Soft costs on construction and renovation of<br>buildings127Book loss on joint ventures or partnerships205Capital items expensed206Debt issue expense208                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                 |
| Capitalized interest119Non-deductible club dues and fees120Non-deductible meals and entertainment<br>expense121Non-deductible automobile expenses122Non-deductible automobile expenses122Non-deductible life insurance premiums123Non-deductible company pension plans124Tax reserves beginning of year125Reserves from financial statements- balance at<br>end of year126Soft costs on construction and renovation of<br>buildings127Book loss on joint ventures or partnerships205Capital items expensed206Debt issue expense208                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                 |
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| Non-deductible meals and entertainment<br>expense121Non-deductible automobile expenses122Non-deductible automobile expenses123Non-deductible life insurance premiums123Non-deductible company pension plans124Tax reserves beginning of year125Reserves from financial statements- balance at<br>end of year126Soft costs on construction and renovation of<br>buildings127Book loss on joint ventures or partnerships205Capital items expensed206Debt issue expense208                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                 |
| Non-deductible automobile expenses122Non-deductible life insurance premiums123Non-deductible company pension plans124Tax reserves beginning of year125Reserves from financial statements- balance at<br>end of year126Soft costs on construction and renovation of<br>buildings127Book loss on joint ventures or partnerships205Capital items expensed206Debt issue expense208                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                 |
| Non-deductible life insurance premiums123Non-deductible company pension plans124Tax reserves beginning of year125Reserves from financial statements- balance at<br>end of year126Soft costs on construction and renovation of<br>buildings127Book loss on joint ventures or partnerships205Capital items expensed206Debt issue expense208                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                 |
| Non-deductible company pension plans124Tax reserves beginning of year125Reserves from financial statements- balance at<br>end of year126Soft costs on construction and renovation of<br>buildings127Book loss on joint ventures or partnerships205Capital items expensed206Debt issue expense208                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                 |
| Tax reserves beginning of year125Reserves from financial statements- balance at<br>end of year126Soft costs on construction and renovation of<br>buildings127Book loss on joint ventures or partnerships205Capital items expensed206Debt issue expense208                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                 |
| Reserves from financial statements- balance at<br>end of year126Soft costs on construction and renovation of<br>buildings127Book loss on joint ventures or partnerships205Capital items expensed206Debt issue expense208                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | (               |
| Soft costs on construction and renovation of<br>buildings127Book loss on joint ventures or partnerships205Capital items expensed206Debt issue expense208                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | (               |
| Book loss on joint ventures or partnerships205Capital items expensed206Debt issue expense208                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                 |
| Capital items expensed     206       Debt issue expense     208                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                 |
| Debt issue expense 208                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | _               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                 |
| Financing fees deducted in books 216                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                 |
| Gain on settlement of debt 220                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                 |
| Non-deductible advertising 226                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                 |
| Non-deductible adventising         220           Non-deductible interest         227                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                 |
| Non-deductible legal and accounting fees 228                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                 |
| Recapture of SR&ED expenditures 231                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | _               |
| Share issue expense     235       Write down of capital property     236                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                 |

| Amounts received in respect of qualifying                                                                                                                                    |            |        |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--------|
| environment trust per paragraphs 12(1)(z.1) and                                                                                                                              | 237        |        |
| 12(1)(z.2)                                                                                                                                                                   |            |        |
| Other Additions: (please explain in detail the                                                                                                                               |            |        |
| nature of the item)                                                                                                                                                          |            |        |
| Interest Expensed on Capital Leases                                                                                                                                          | 290        |        |
| Realized Income from Deferred Credit Accounts                                                                                                                                | 291        |        |
|                                                                                                                                                                              | 231        |        |
| Pensions                                                                                                                                                                     | 292        |        |
| Non-deductible penalties                                                                                                                                                     | 293        |        |
|                                                                                                                                                                              | 294        |        |
|                                                                                                                                                                              | 201        |        |
|                                                                                                                                                                              | 295        |        |
|                                                                                                                                                                              |            |        |
|                                                                                                                                                                              | 296        |        |
|                                                                                                                                                                              | 297        |        |
|                                                                                                                                                                              | 291        |        |
| ARO Accretion expense                                                                                                                                                        |            |        |
| Capital Contributions Received (ITA 12(1)(x))                                                                                                                                |            |        |
| Lease Inducements Received (ITA 12(1)(x))                                                                                                                                    |            |        |
| Deferred Revenue (ITA 12(1)(a))                                                                                                                                              |            |        |
| Prior Year Investment Tax Credits received                                                                                                                                   |            |        |
| Interest on long term debt                                                                                                                                                   |            | 7,849  |
|                                                                                                                                                                              |            | 7,049  |
|                                                                                                                                                                              |            |        |
|                                                                                                                                                                              |            |        |
|                                                                                                                                                                              |            |        |
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|                                                                                                                                                                              |            |        |
|                                                                                                                                                                              |            |        |
|                                                                                                                                                                              |            |        |
| Total Additiona                                                                                                                                                              |            | 94.552 |
| Total Additions                                                                                                                                                              |            | 84,552 |
| Deductions:                                                                                                                                                                  |            |        |
| Gain on disposal of assets per financial                                                                                                                                     | 401        |        |
| statements                                                                                                                                                                   | 100        |        |
| Dividends not taxable under section 83                                                                                                                                       | 402        |        |
| Capital cost allowance from Schedule 8                                                                                                                                       | 403        | 66,072 |
| Terminal loss from Schedule 8                                                                                                                                                | 404        |        |
| Cumulative eligible capital deduction from                                                                                                                                   | 405        | 116    |
| Schedule 10 CEC                                                                                                                                                              |            |        |
| Allowable business investment loss                                                                                                                                           | 406        |        |
| Deferred and prepaid expenses                                                                                                                                                | 409        |        |
| Scientific research expenses claimed in year                                                                                                                                 | 411        |        |
| Tax reserves end of year                                                                                                                                                     | 413        | 0      |
| Reserves from financial statements - balance at                                                                                                                              | 414        | _      |
| beginning of year                                                                                                                                                            | 414        | 0      |
| Contributions to deferred income plans                                                                                                                                       | 416        |        |
|                                                                                                                                                                              | î.         |        |
| Book income of joint venture or partnership                                                                                                                                  | 305        |        |
| Book income of joint venture or partnership<br>Equity in income from subsidiary or affiliates                                                                                | 305<br>306 |        |
| Equity in income from subsidiary or affiliates                                                                                                                               | 305<br>306 |        |
| Equity in income from subsidiary or affiliates<br>Other deductions: (Please explain in detail the                                                                            |            |        |
| Equity in income from subsidiary or affiliates<br>Other deductions: (Please explain in detail the<br>nature of the item)                                                     | 306        |        |
| Equity in income from subsidiary or affiliates<br>Other deductions: (Please explain in detail the<br>nature of the item)<br>Interest capitalized for accounting deducted for |            |        |
| Equity in income from subsidiary or affiliates<br>Other deductions: (Please explain in detail the<br>nature of the item)                                                     | 306        |        |

| Non-taxable imputed interest income on deferral<br>and variance accounts    | 392 |       |
|-----------------------------------------------------------------------------|-----|-------|
|                                                                             | 393 |       |
|                                                                             | 394 |       |
|                                                                             | 395 |       |
|                                                                             | 396 |       |
|                                                                             | 397 |       |
| ARO Payments - Deductible for Tax when Paid                                 |     |       |
| ITA 13(7.4) Election - Capital Contributions                                |     |       |
| Received<br>ITA 13(7.4) Election - Apply Lease Inducement to                |     |       |
| cost of Leaseholds                                                          |     |       |
| Deferred Revenue - ITA 20(1)(m) reserve                                     |     |       |
| Principal portion of lease payments                                         |     |       |
| Lease Inducement Book Amortization credit to                                |     |       |
| income                                                                      |     |       |
| Financing fees for tax ITA 20(1)(e) and (e.1)                               |     |       |
| Deemed interest on long term debt                                           |     | 26,23 |
|                                                                             |     |       |
|                                                                             |     |       |
|                                                                             |     |       |
|                                                                             |     |       |
|                                                                             |     |       |
|                                                                             |     |       |
|                                                                             |     |       |
|                                                                             |     |       |
|                                                                             |     |       |
|                                                                             |     |       |
| Total Deductions                                                            |     | 92,42 |
|                                                                             |     |       |
| NET INCOME FOR TAX PURPOSES                                                 |     | 29,04 |
| Charitable denations                                                        | 311 |       |
| Charitable donations<br>Taxable dividends received under section 112 or     |     |       |
| 113                                                                         | 320 |       |
| Non-capital losses of preceding taxation years from<br>Schedule 7-1         | 331 |       |
| Net-capital losses of preceding taxation years<br>(Please show calculation) | 332 |       |
| Limited partnership losses of preceding taxation                            | 225 |       |
| years from Schedule 4                                                       | 335 |       |
|                                                                             |     |       |
| REGULATORY TAXABLE INCOME                                                   |     | 29,04 |



#### **2012 REBASING YEAR**

| Hydro 2000 Inc.                                                                                |                                                                     |               |        |        |                 |                |                                        |
|------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|---------------|--------|--------|-----------------|----------------|----------------------------------------|
| PILs Tax Provision - Test Year                                                                 |                                                                     |               |        |        |                 |                |                                        |
|                                                                                                |                                                                     |               |        |        |                 |                | Wires Only                             |
| Regulatory Taxable Income                                                                      |                                                                     |               |        |        |                 |                | \$ 29,048 <b>A</b>                     |
| Ontario Income Taxes<br>Income tax payable                                                     | Ontario Income Tax                                                  | 4.50%         | в      | \$     | 1,307           | C = A * B      |                                        |
| Small business credit                                                                          | Ontario Small Business Threshold<br>Rate reduction                  | \$-<br>-6.75% | D<br>E | \$     | -               | F = D * E      |                                        |
| Ontario Income tax                                                                             |                                                                     |               |        |        |                 |                | \$ 1,307 J = 0                         |
| Combined Tax Rate and PILs                                                                     | Effective Ontario Tax Rate<br>Federal tax rate<br>Combined tax rate |               |        |        | 4.50%<br>11.00% | K = J / A<br>L | 15.50% <b>M = I</b>                    |
| Total Income Taxes<br>Investment Tax Credits<br>Miscellaneous Tax Credits<br>Total Tax Credits |                                                                     |               |        |        |                 |                | \$ 4,502 N = A<br>O<br>P<br>\$ - Q = 0 |
| Corporate PILs/Income Tax Provision for Test Year                                              |                                                                     |               |        |        |                 |                | \$ 4,502 R = N                         |
| Corporate PILs/Income Tax Provisio                                                             |                                                                     |               |        | 84.50% | S = 1 - M       | \$ 826 T = F   |                                        |
| Income Tax (grossed-up)                                                                        |                                                                     |               |        |        |                 |                | \$ 5,328 U = F                         |
|                                                                                                |                                                                     |               |        |        |                 |                |                                        |

#### Note:

Hydro 2000 Inc

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

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 5

## Exhibit 5:

# **Cost of Capital and Rate of Return**

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 5 Tab 1

Exhibit 5: Cost Of Capital And Rate Of Return

# Tab 1 (of 1): Cost of Capital and Rate of Return



Ontario Energy Board REVENUE REQUIREMENT WORK FORM

Version 2.20

\$ -

#### Hydro 2000 Inc. Capitalization/Cost of Capital

| Line<br>No. | Particulars                      | Сар     | italization Ratio   | Cost Rate      | Return      |
|-------------|----------------------------------|---------|---------------------|----------------|-------------|
|             |                                  |         | Initial Application |                |             |
|             |                                  | (%)     | (\$)                | (%)            | (\$)        |
|             | Debt                             |         |                     |                |             |
| 1           | Long-term Debt                   | 56.00%  | \$539,543           | 5.32%          | \$28,704    |
| 2           | Short-term Debt                  | 4.00%   | \$38,539            | 2.46%          | \$948       |
| 3           | Total Debt                       | 60.00%  | \$578,081           | 5.13%          | \$29,652    |
|             | Equity                           |         |                     |                |             |
| 4           | Common Equity                    | 40.00%  | \$385,388           | 9.58%          | \$36,920    |
| 5           | Preferred Shares                 | 0.00%   | \$ -                | 0.00%          | \$ -        |
| 6           | Total Equity                     | 40.00%  | \$385,388           | 9.58%          | \$36,920    |
| 7           | Total                            | 100.00% | \$963,469           | 6.91%          | \$66,572    |
|             |                                  |         |                     |                |             |
|             |                                  |         |                     |                |             |
|             | Dill                             | (%)     | (\$)                | (%)            | (\$)        |
| 1           | Debt<br>Long-term Debt           | 0.00%   | \$ -                | 0.00%          | \$ -        |
| 2           | Short-term Debt                  | 0.00%   | \$-<br>\$-          | 0.00%          | \$-<br>\$-  |
| 3           | Total Debt                       | 0.00%   | \$ -                | 0.00%          | <u> </u>    |
|             |                                  |         |                     |                |             |
|             | Equity                           |         | _                   |                |             |
| 4           | Common Equity                    | 0.00%   | \$ -                | 0.00%          | \$ -        |
| 5<br>6      | Preferred Shares<br>Total Equity | 0.00%   | <u>\$ -</u>         | 0.00%          | <u> </u>    |
| 0           |                                  | 0.00%   | <u> </u>            | 0.00%          | <u> </u>    |
| 7           | Total                            | 0.00%   | \$963,469           | 0.00%          | <u> </u>    |
|             |                                  |         | Per Board Decision  |                |             |
|             |                                  |         | Tel Doalu Decision  |                |             |
|             |                                  | (%)     | (\$)                | (%)            | (\$)        |
| 8           | Debt<br>Long-term Debt           | 0.00%   | \$ -                | 5.32%          | \$ -        |
| °<br>9      | Short-term Debt                  | 0.00%   | φ-<br>\$-           | 2.46%          | ֆ-<br>\$-   |
| 10          | Total Debt                       | 0.00%   | <u> </u>            | 0.00%          | <u> </u>    |
|             |                                  |         | <u> </u>            |                | <u>_</u>    |
| 11          | Equity<br>Common Equity          | 0.00%   | \$ -                | 9.58%          | \$ -        |
| 11          | Preferred Shares                 | 0.00%   | ֆ-<br>\$-           | 9.58%<br>0.00% | 5 -<br>\$ - |
| 13          | Total Equity                     | 0.00%   | <u> </u>            | 0.00%          | <u> </u>    |
|             |                                  |         |                     |                |             |

<u>Notes</u> (1)

14

Total

4.0% unless an Applicant has proposed or been approved for another amount.

0.00%

\$963,469

0.00%

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 5 Tab 1 Schedule 1 Attachment 1 Page 1 of 2

#### **Capital Structure**

- 2 The purpose of this evidence is to summarize the method and cost of financing Hydro
- 3 2000's capital requirements for the 2012 test year.
- 4

1

- 5 Hydro 2000 has a deemed capital structure of 60% debt and 40% equity, as approved
- 6 by the OEB in its 2008 cost of service application and a return on equity of 8.68% as
- also approved by the OEB in the 2008 Cost of Service file (EB-2007-0704).
- 8
- 9 Hydro 2000 is seeking approval to maintain its capital structure of 60% debt and 40%
- 10 equity, including a return on equity of 9.58% as indicated in the Report of the Board on
- 11 Cost of Capital Parameters<sup>1</sup>. The table below show the proposed 2012 structure in
- 12 comparison to the utility's last cost of service
- 13
- 14
- 15

#### Table 1: Deemed Capital Structure 2012 vs 2008

|                            | Cun     | rent Applica | tion                  | 2008 EDR Approved   |       |         |
|----------------------------|---------|--------------|-----------------------|---------------------|-------|---------|
|                            | Deemed  | Effective    | Return                | Deemed Effective Re |       | Return  |
|                            | Portion | Rate 1       | Amount                | Portion             | Rate  | Amount  |
| Short-Term Debt            | 4.00%   | 2.46%        |                       | 49.33%              | 4.77% |         |
| Long-Term Debt             | 56.00%  | 5.32%        |                       | 4.00%               | 5.80% |         |
| Total Equity               | 40.00%  | 9.58%        |                       | 46.67%              | 8.68% |         |
| egulated Rate of Return    | 100.00% | 6.91%        |                       | 100.00%             | 6.64% |         |
| ate Base <sup>2</sup>      |         |              | <mark>963,46</mark> 9 |                     |       | 735,075 |
| egulated Return on Capital |         |              | 66,572                |                     |       | 48,780  |
| Deemed Interest Expense    |         |              | 29,652                |                     |       | 19,002  |
| Deemed Return on Equity    |         |              | 36,920                |                     |       | 29,778  |
|                            |         |              |                       |                     |       |         |

16 17

<sup>&</sup>lt;sup>1</sup> Cost of Capital Parameter Updates for 2011 Cost of Service Applications for Rates Effective May 1, 2011, issued March 3, 2011

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 5 Tab 1 Schedule 1 Attachment 1 Page 2 of 2

- 1 The proposed capital structure for 2012 also reflects a short-term debt component of 4%
- 2 directed by the Board.

3

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 5 Tab 1 Schedule 2 Page 1 of 1

#### Cost of Capital

The proposed cost rates for cost of capital in 2012 are presented on the last page of
Exhibit 5, Tab 1, Schedule 2, Attachment 1. The rates shown for short-term debt and
return on equity are those set out in the Board's letter of March 3, 2011, *Cost of Capital Parameter Updates for 2011 Cost of Service Application.* The parameters are
reproduced in the table below.

#### Cost of Capital parameters for rates effective May 1, 2011

Based on the methodologies set out in the Report and January 2011 data from the Bank of Canada, *Consensus Forecasts* and Bloomberg LLP, the Board has determined that the updated Cost of Capital parameters for 2011 cost of service rate applications for rates effective May 1, 2011 are:

| Cost of Capital Parameter | Value for 2011 Cost of Service Applications for<br>May 1, 2011 rate changes |
|---------------------------|-----------------------------------------------------------------------------|
| ROE                       | 9.58%                                                                       |
| Deemed LT Debt rate       | 5.32%                                                                       |
| Deemed ST Debt rate       | 2.46%                                                                       |

8

1

9

10 The calculation of the proposed rate for long-term debt is set out in Attachment 1 to this 11 schedule, based on the weighted average cost of debt in 2012. There is a single debt 12 instruments outstanding in the year, comprised of a Promissory Note (the "Note") 13 payable to the utility's shareholders.

14

The terms of the Note is embedded in an agreement between Hydro 2000 and its shareholders (the "Agreement"), which appears in Attachment 2 to this schedule. Since market opening in May 2002, Hydro 2000 has paid interest on the Notes at a fixed rate of 5.50%. The actual 5.50% interest rate is slightly higher than the Board's deemed debt rate. As such, the deemed interest rate has been used for rate-setting purposes, in accordance with the Board's policy.

21

The Weighted Average Cost of Debt and the Promissory Note is presented at the nexttwo attachment.

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#### Hydro 2000 (ED-2002-0542)

2012 EDR Application (EB-2011-0326) version: 10 October 10, 2011

#### D2 Long Term Debt

Enter details of debt outstanding in 2012 and projected interest in 2011

#### DEBT OUTSTANDING IN 2012

| Description    | Amount  | Issue Date<br>(dd-mmm-yyyy)  | Term Date<br>(dd-mmm-yyyy) | Interest<br>Rate (a) | Other<br>Costs (b) | Annual<br>Cost |
|----------------|---------|------------------------------|----------------------------|----------------------|--------------------|----------------|
| Long Term Debt | 431,805 | (dd-mmm-yyyy)<br>31-Dec-2002 | 31-Dec-2017                | 5.50%                |                    | 23,749         |
|                |         |                              |                            |                      |                    |                |
|                |         |                              |                            |                      |                    |                |
|                |         |                              |                            |                      |                    |                |
|                |         |                              |                            |                      |                    |                |
|                |         |                              |                            |                      |                    |                |
|                |         |                              |                            |                      |                    |                |
|                |         |                              |                            |                      |                    |                |
|                |         |                              |                            |                      |                    |                |

#### **DEBT OUTSTANDING IN 2012**

| Description    | Effective | Days o/s | Average<br>Balance | 2012   | 2012 Ending<br>Balance | Debt o/s | Int. Expense<br>USA # |
|----------------|-----------|----------|--------------------|--------|------------------------|----------|-----------------------|
|                | Rate      | in 2012  | Balance            | Cost   | Balance                | USA #    | USA #                 |
| Long Term Debt | 5.50%     | 366      | 431,805            | 23,749 | 431,805                |          |                       |
|                |           |          |                    |        |                        |          |                       |
|                |           |          |                    |        |                        |          |                       |
|                |           |          |                    |        |                        |          |                       |
|                |           |          |                    |        |                        |          |                       |
|                |           |          |                    |        |                        |          |                       |
|                |           |          |                    |        |                        |          |                       |
|                |           |          |                    |        |                        |          |                       |
|                |           |          |                    |        |                        |          |                       |
|                |           |          |                    |        |                        |          |                       |
| TOTAL          | 5.50%     |          | 431,805            | 23,749 | 431,805                |          |                       |

(a) Rate applicable for rate-setting purposes (note: current deemed rate is 5.32%)

(b) If actual interest rate applies, enter annual charges other than interest (e.g. commitment fees, amortization of issuance costs, etc.)

#### 2011 PROJECTED INTEREST EXPENSE ON LONG-TERM DEBT:

| USA # | Expense \$ |
|-------|------------|
|       |            |
|       |            |
|       |            |
|       |            |
|       |            |
|       |            |
| TOTAL |            |

TOTAL:

# THE TOWNSHIP OF ALFRED AND PLANTAGENET

# BY-LAW NUMBER 2003-11

# BEING A BY-LAW TO AFFIRM THE STATUS OF HYDRO 2000 INC.

WHEREAS the former Township of Alfred, the Township of North Plantagenet, the Village of Alfred and the Village of Plantagenet were amalgamated on January 1st, 1997 and is now part of the Corporation of the Township of Alfred and Plantagenet; the Hydro Commissions of the Village of Alfred (Ward 3) and the Village of Plantagenet (Ward 4) were dissolved and formed a new hydro commission called the Hydro-Electric Commission of The Corporation of the Township of Alfred and Plantagenet as of January 1st, 1997; AND WHEREAS

Hydro 2000 Inc was incorporated on the 29th day of September 2000 for the purposes of distribution of electricity in Ward 3 and 4 of the Corporation of the Township of Alfred and Plantagenet, and is a corporation licenced to distribute electricity pursuant to the Ontario Energy AND WHEREAS Board Act; AND WHEREAS the Corporation of the Township of Alfred and Plantagenet has an interest, as the sole shareholder in Hydro 2000 Inc. in holding the 100% shares in the said company;

AND WHEREAS Hydro 2000 Inc. owes the Corporation of the Township of Alfred and Plantagenet the sum of \$ 431,805 secured by a Promissory Note from the Corporation of the Township; AND WHEREAS the Ontario Legislature has passed Bill 210 requiring municipalities who have shares in electric utilities to pass a resolution within ninety (90) days of the passing of the Bill, under section 159.1, affirming that the Corporation should continue to be incorporated as provided for pursunant to subsection 142 (1) of the Electricity Act thereby confirming their status as "for profit" corporations;

AND WHEREAS the said legislation was passed on the 9th day of December 2002;

AND WHEREAS section 159.1 of the Electricity Act provides that if the Minister of Energy does not receive a certificate certifying the passing of the resolution to continue to be incorporated that the consequences will be as laid out in subsections 159.1(5), (6) and (7) of the Electricity Act;

status" with no return on equity to the Township and only a reteurn of interest on the debt portion AND WHEREAS in the event the municipality fails to pass such resolution within ninety (90) days , 2002, the Corporation status of Hydro 2000 Inc. will be converted to a "non-profit of the monies owed by Hydro 2000 Inc. to the Township, of December 9<sup>th</sup>,

is 6.59 % and the return on interest on the Promissory Note is 5.5%, providing a return of equity and AND WHEREAS at the present time the maximum return available on equity for the municipality debt that is available in the amount of 5.98% per annum using a weighted average; AND WHEREAS in the event an affirming By-Law is not passed affirming the corporation status of and the Hydro 2000 Inc. was effectively converted to "non-profit status", then this would not allow for the said Hydro 2000 Inc. to manage its finances so as to continue to provide reliable service and in particular, provide a rate of return sufficient to finance maintenance and upgrading of infrastructure; AND WHEREAS the Province of Ontario has decided to maintain Hydro One and their utilities as "for profit" companies and to affirm its current status; NOW THEREFORE the Corporation of the Township of Alfred and Plantagenet enacts as follows:

- That the Corporation of the Township of Alfred and Plantagenet hereby affirms that Hydro 2000 Inc. shall continue to be incorporated, as provided for in subsection 142 (1) of the Electricity Act, 1998, as a "for profit corporation" pursuant to its initially intended purpose and that a certificate, as prescribed, certifying the passing of this by-law be sent to the Minister of Energy. Ϊ.
- That this by-law shall come into force after its third reading and final adoption. 3

READ A FIRST, SECOND AND THIRD TIME and finally passed this 17<sup>th</sup> day of February 2002.

Rech UDE TROTTIÊR, Mayor S JEAN-CJ  $\langle \rangle$ 

DIANE THAUVETTE, Clerk-Treasurer

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 6

# Exhibit 6:

# **REVENUE DEFICIENCY OR SUFFICIENCY**

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 6 Tab 1

Exhibit 6: Revenue Deficiency Or Sufficiency

# Tab 1 (of 2): Utility Revenue

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 6 Tab 1 Schedule 1 Page 1 of 1

# Revenue from Existing Rates

1 2

Projected revenues in 2012 based on existing rates, which are used in calculating utility
income, are comprised of distribution revenue and other revenues.

5

Distribution revenue at existing rates is presented in Exhibit 3, Tab 2. Other revenue ispresented in Exhibit 3, Tab 3.

8

Hydro 2000 (ED-2002-0542) 2012 EDR Application (EB-2011-0326) version: 10 October 10, 2011

# Table 6.1.2 Distribution Revenue Requirement

Enter adjustments for non-recurring items in 2012

|                             |               | 2012       | Non-recurring | 2012       | Operation |
|-----------------------------|---------------|------------|---------------|------------|-----------|
|                             |               | Projection | items (Total) | Normalized | Comment   |
| OM&A Expenses               | from sheet D1 | 434,834    |               | 434,834    |           |
| 3850-Amortization Expense   | from sheet E2 | 76,703     |               | 76,703     |           |
| Total Distribution Expenses |               | 511,537    |               | 511,537    |           |
| Regulated Return On Capital | from sheet D3 | 66,572     |               | 66,572     |           |
| PILs (with gross-up)        | from sheet E4 | 5,328      |               | 5,328      |           |
| Service Revenue Requirement |               | 583,437    |               | 583,437    |           |
| Less: Revenue Offsets       | from sheet C9 | 20,303     |               | 20,303     |           |
| Base Revenue Requirement    |               | 563,134    |               | 563,134    |           |

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 6 Tab 1 Schedule 2 Attachment 1 Page 1 of 1

| 1        | Distribution Revenue Requirement                                                                                                          |  |  |  |  |  |  |
|----------|-------------------------------------------------------------------------------------------------------------------------------------------|--|--|--|--|--|--|
| 2        | Table 6.1.2 presented at the previous schedule shows the proposed revenue                                                                 |  |  |  |  |  |  |
| 3        | requirement for the 2012 test year.                                                                                                       |  |  |  |  |  |  |
| 4        |                                                                                                                                           |  |  |  |  |  |  |
| 5        | The total Service Revenue Requirement is comprised of the following:                                                                      |  |  |  |  |  |  |
| 6        | Projected distribution expenses in 2012:                                                                                                  |  |  |  |  |  |  |
| 7<br>8   | <ul> <li>OM&amp;A (Operations, Maintenance and Administration) expenses, as<br/>described in Exhibit 4, Tab 1, Schedule 2; and</li> </ul> |  |  |  |  |  |  |
| 9<br>10  | <ul> <li>Amortization expense, as shown in Exhibit 4, Tab 7, Schedule 1, Attachment 1;</li> </ul>                                         |  |  |  |  |  |  |
| 11<br>12 | <ul> <li>Regulated Return on Capital, as shown in Exhibit 5, Tab 1, Schedule 1,<br/>Attachment 1; and</li> </ul>                          |  |  |  |  |  |  |
| 13       | • The proposed Allowance for PILs in 2012, as described in Exhibit 4, Tab 8,                                                              |  |  |  |  |  |  |
| 14       | Schedule 3.                                                                                                                               |  |  |  |  |  |  |
| 15       | The proposed Base Revenue Requirement, representing the revenue to be recovered                                                           |  |  |  |  |  |  |
| 16       | from base distribution rates, is equal to the total Service Revenue Requirement, less                                                     |  |  |  |  |  |  |
| 17       | Revenue Offsets derived from other revenue sources in 2012. The Revenue Offsets are                                                       |  |  |  |  |  |  |
| 18       | shown in Exhibit 3, Tab 3, Schedule 4, Attachment 1.                                                                                      |  |  |  |  |  |  |
| 19       |                                                                                                                                           |  |  |  |  |  |  |
| 20       |                                                                                                                                           |  |  |  |  |  |  |

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 6 Tab 2

Exhibit 6: Revenue Deficiency Or Sufficiency

# Tab 2 (of 2): Deficiency or Surplus

Hydro 2000 (ED-2002-0542) 2012 EDR Application (EB-2011-0326) version: 10 October 10, 2011

# Table 6.2.1 Table of Revenue Deficiency and Statement of Rate Base

Review highlighted variances (no input on this sheet)

|                                               |                          | 2012                 | 2012 2011  |          |          |
|-----------------------------------------------|--------------------------|----------------------|------------|----------|----------|
|                                               |                          | Projection           | Projection | Var #    | Var %    |
| Utility Income                                | (see below)              | -176,933             | -75,813    | -101,120 | (133.4%) |
| Utility Rate Base                             | from sheet G6            | 963,469              | 840,495    | 122,974  | 14.6%    |
| Indicated Rate of Return                      |                          | (18.36%)             | (9.02%)    | (9.34%)  | (103.6%) |
| Requested / Approved Rate of Return           | from sheet D3            | 6.91%                | 6.91%      | 0.00%    | 0.0%     |
| Sufficiency / (Deficiency) in Return          |                          | (25.27%)             | (15.93%)   | (9.34%)  | (58.7%)  |
| <u>Net Revenue Sufficiency / (Deficiency)</u> |                          | -243,504             | -133,888   | -109,617 | (81.9%)  |
| Provision for PILs/Taxes *                    |                          | -5,328               | 0          | -5,328   | 0.0%     |
| Gross Revenue Sufficiency / (Deficiency)      |                          | -248,832             | -133,888   | -114,945 | (85.9%)  |
| Deemed Overall Debt Rate                      | from sheet D3            | 5.13%                | 4.85%      | 0.28%    | 5.8%     |
| Deemed Cost of Debt                           | from sheet D3            | 29,652               | 21,727     | 7,925    | 36.5%    |
| Utility Income less Deemed Cost of Debt       |                          | -206,584             | -97,540    | -109,044 | (111.8%) |
| Return On Deemed Equity                       |                          | (53.60%)             | (29.01%)   | (24.59%) | (84.8%)  |
|                                               | from sheets E1 & E2 (exc | ept PILS / Income Ta | axes)      |          |          |
| Total Net Revenues                            |                          | 334,604              | 333,405    | 1,200    | 0.4%     |
| OM&A Expenses                                 |                          | 434,834              | 348,467    | 86,367   | 24.8%    |
| Depreciation & Amortization                   |                          | 76,703               | 60,751     | 15,952   | 26.3%    |
| Taxes other than PILs / Income Taxes          |                          | 0                    | 0          | 0        | 0.0%     |
| Total Costs & Expenses                        |                          | 511,537              | 409,218    | 102,319  | 25.0%    |
| Utility Income before Income Taxes / PILs     |                          | -176,933             | -75,813    | -101,120 | (133.4%) |
| PILs / Income Taxes                           | from sheet E4            | 0                    | 0          | 0        | 0.0%     |
| Utility Income                                |                          | -176,933             | -75,813    | -101,120 | (133.4%) |

\* In 2012: difference between amounts on sheet E4 for 2012 at existing rates vs. 2012 at new revenue requirement;

in 2011: Net Sufficiency / (Deficiency) multiplied by grossed-up effective tax rate on Utility Income.

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 6 Tab 2 Schedule 1 Attachment 1 Page 1 of 2

#### Calculation of Revenue Deficiency or Surplus

2 Table 6.2.1 presents the calculation of the revenue deficiency for the 2012 test year.

3

1

4 Utility Income represents Total Net Revenues, less expenses for OM&A, Depreciation &

5 Amortization, and PILs. Total Net Revenues is comprised of projected distribution

6 revenues at existing rates (see Exhibit 3, Tab 2, Schedule 1) and revenue offsets. The

7 following table indicates the references within the application for these amounts:

8

9

#### Table 1: Utility Income References

| Total Net Revenues:         |                                            |
|-----------------------------|--------------------------------------------|
| Distribution Revenues       | Exhibit 3, Tab 2, Schedule 1, Attachment 1 |
| Revenue Offsets             | Exhibit 3, Tab 3, Schedule 3               |
| Expenses:                   |                                            |
| OM&A                        | Exhibit 4, Tab 1, Schedule 2               |
| Depreciation & Amortization | Exhibit 4, Tab 7, Schedule 1               |
| PILs                        | Exhibit 4, Tab 8, Schedule 3, Attachment 1 |

10 11

12 The Indicated Rate of Return is equal to Utility Income divided by the Rate Base amount.

13 Attachment 2 presents the statement of rate base, consistent with the information in

14 Schedule 2, Tab 1. The Requested / Approved Rate of Return for 2012 appears on the

15 last page of Exhibit 5, Tab 1, Schedule 1, Attachment 1. The Indicated Rate of Return is

16 less than the Requested / Approved Rate of Return, therefore there is a Deficiency in

17 Return. The Net Revenue Deficiency is the Deficiency in Return, multiplied by the Rate

18 Base amount.

19

20 The Provision for PILs/Taxes is the difference between the PILs amount appearing in the

calculation of Utility Income, and the proposed Allowance for PILs as shown in Exhibit 6,

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 6 Tab 2 Schedule 1 Attachment 1 Page 2 of 2

1 Tab 1, Schedule 2, Attachment 1. The sum of the Net Revenue Deficiency and the

2 Provision for PIL/Taxes yields the Gross Revenue Deficiency.

3

4 The Deemed Overall Debt Rate and Deemed Cost of Debt appear on the last page of

5 Exhibit 5, Tab 1, Schedule 1, Attachment 1. The Return on Deemed Equity is derived by

6 taking Utility Income, less the Deemed Cost of Debt, divided by the equity capitalization

amount (which also appears on the last page of Exhibit 5, Tab 1, Schedule 1,

8 Attachment 1).

9

10

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 6 Tab 2 Schedule 1 Attachment 2 Page 1 of 1

#### **Causes of Revenue Deficiency or Surplus**

Hydro 2000's existing rates are based on the Board-approved rates in 2008 following a cost of service rate application, and adjustments to its base distribution rates in 2009-2011 under the Board's Incentive Regulation Mechanism ("IRM"). Price cap adjustments of 1.38%, 1.3% and 1.3% were applied in 2009, 2010 and 2011, respectively, in the IRM rate applications approved by the Board. As a result, current base distribution rates reflect an aggregate price cap of adjustment of 4.08% relative to the 2008 Board-approved rates.

As shown in Attachment 1 to the previous schedule, the Net Revenue Deficiency (excluding PILs) for 2012 is \$243,504.

The deficiency is due primarily to increased expenses for Operations, Maintenance and Administration (OM&A). Projected OM&A for 2012 is \$172,183K higher than the 2008 Board-approved amount, an increase of 66%. The cost drivers underlying this increase are presented in Exhibit 4, Tab 2, Schedule 1, Attachment 3.

The increase in the rate base is another cause of the revenue deficiency. The proposed rate base for 2012 is \$228K higher than the 2008 Board-approved amount, an increase of 31%. The factors contributing to the change in the rate base are discussed in Exhibit 2, Tab 1, Schedule 2.

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 7

# Exhibit 7:

# **COST ALLOCATION**

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 7 Tab 1

Exhibit 7: Cost Allocation

# Tab 1 (of 2): Cost Allocation Model

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 7 Tab 1 Schedule 1 Page 1 of 1

#### **Overview of Cost Allocation**

1 2

Hydro 2000 engaged Elenchus Research Associates ("Elenchus") to complete its cost allocation models for this application. The proposed 2012 test year data was prepared in accordance with the latest Board Directions, Instructions, and section 2.8 of the Board's Filing Requirements for Distribution and Transmission Applications. The Elenchus report is included as Attachment 1 to this schedule, and the model files referenced therein have been submitted to the Board in electronic form. This report addresses Cost Allocation based on previously approved rates.

10

Hydro 2000's proposed revenue allocation and the resulting Revenue-to-Cost ratios arediscussed in Schedule 2 of this Exhibit/Tab.

13

# Hydro 2000 Inc. 2012 Cost Allocation Study

# A Report Prepared by Elenchus Research Associates Inc.

On Behalf of Hydro 2000 Inc.

September 2011



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# 1 1 INTRODUCTION

Hydro 2000 Inc. ("Hydro 2000") has prepared its 2012 EDR Application as a cost of
service rate application based on a forward test year. The relevant filing requirements
for this Application are set out in Chapter 2 of the June 22, 2011 update to the
document entitled *Ontario Energy Board, Filing Requirements for Transmission and Distribution Applications* ("Filing Requirements").

7 Section 2.10 of the Filing Requirements sets out the expectations of the Board with
8 respect to Exhibit 7: Cost Allocation. The Filing Requirements state:

9 A completed cost allocation study using the Board approved methodology must be 10 filed. This filing must reflect future loads and costs and be supported by appropriate 11 explanations and live Excel spreadsheets. If available when this Exhibit is being 12 prepared, the 2011 update of the model issued by the board may be used.

Hydro 2000 asked Elenchus Research Associated (Elenchus)<sup>1</sup> to assist it by preparing
an appropriate cost allocation study for its 2012 cost of service rate application. In
addressing this issue, Elenchus was guided by the Filing Requirements and the
November 28, 2007 *Report of the Board, Application of Cost Allocation for Electricity Distributors* (EB-2007-0667) ("CA Application Report") which "sets out the Board's
policies in relation to specific cost allocation matters for electricity distributors".<sup>2</sup>
The CA Application Report observes at page 2 that:

20 The Board is cognizant of factors that currently limit or otherwise affect the ability or

21 desirability of moving immediately to a cost allocation framework that might, from a

22 theoretical perspective, be considered the ideal. These influencing factors include

data quality issues and limited modelling experience, and are discussed in greater
 detail in section 2.3 of this Report.

25 The "influencing factors" discussed in section 2.3 of the report are:

<sup>&</sup>lt;sup>1</sup> John Todd, President of Elenchus Research Associates, was the lead consultant for the development and implementation of the methodology used by Hydro 2000 and documented in this report. John Todd's curriculum vitae is available at <u>www.elenchus.ca</u>.

<sup>&</sup>lt;sup>2</sup> Ontario Energy Board, *Report of the Board, Application of Cost Allocation for Electricity Distributors* (EB-2007-0667), November 28, 2007, page 2.

| Hydro 2000 2012 CA Study |
|--------------------------|
| 9/30/11                  |

| Le | enchus |
|----|--------|
|    |        |

1

2

- Quality of the data: The Board notes "that accounting and load data can be improved." (p. 5)
- Limited modelling experience: The Board observed that "the cost allocation
   model is complex, and the data required for the model was not always readily
   available for modelling." (p. 6)
- Status of current rate classes: The Board points out that "Any changes in customer classification or load data could have a significant impact on future cost allocation studies" (p. 6).

• Managing the movement of rates closer to allocated costs: The Board notes:

10The Board considers it appropriate to avoid premature movement of rates in11circumstances where subsequent applications of the model or changes in12circumstances could lead to a directionally different movement. Rate13instability of this nature is confusing to consumers, frustrates their energy cost14planning and undermines their confidence in the rate making process. (p. 6)

In utilizing the Board's cost allocation model for Hydro 2000's 2012 cost allocation
study, Elenchus has been cognizant of these "influencing factors" as they apply to
Hydro 2000.

#### 18 1.1 PURPOSE OF THE COST ALLOCATION STUDY

In the context of a cost of service rate application based on a 2012 forward test year, the primary purpose of the cost allocation study ("CA Study") is to determine the proportions of a distributor's total revenue requirement that are the "responsibility" of each rate class.

In addition, cost allocation studies provide revenue to cost ratios for each customer class that can be examined to ensure that they generally fall within the Board-specified ranges (or move toward those ranges where appropriate to mitigate rate impacts) and generally are not moving away from 100%.

- 27 Conceptually, the desired results can be achieved in either of two ways.
- Prospective Year CA Study: A cost allocation study for the 2012 test year can
   be based on an allocation of the 2012 test year costs (i.e., the 2012 forecast

revenue requirement) to the various customer classes using allocators that are
based on the forecast class loads (kW and kWh) by class, customer counts, etc.
By definition, this approach will result in a total revenue to cost ratio at proposed
rates of 100%. Assuming there is a revenue deficiency for the test year, the total
revenue to cost ratio at current rates will be somewhat below 100%.

6 **Historic Year CA Study:** As an alternative, an historic year cost allocation study 7 can be prepared that determines the proportion of costs allocated to each class 8 for the most recent historic year. In this case, the CA Study will rely on actual 9 costs, weather adjusted loads, customer counts, etc. that are not affected by 10 forecast errors. Assuming the costs and loads are relatively stable so that the 11 proportionate cost responsibility of each rate class in the historic year is a 12 reasonable proxy for the 2012 test year cost responsibility, the resulting 13 proportionate cost responsibilities can be used to allocate the 2012 revenue 14 requirement to the various classes.

15 The Hydro 2000 CA Study uses the first of these methods in order to ensure 16 compliance with the Board's direction in the Filing Requirements that the CA Study 17 should "reflect future loads and cost". Relying on a Prospective Year CA Study is also 18 appropriate at this time since the Ontario economy has suffered over the past three 19 years and, as a result, many distributors have experienced significant changes in the 20 load profiles of their customer classes. These changes could have a significant impact 21 on the allocation of costs to the classes and the resulting revenue to cost ratios. This 22 approach implicitly assumes that the economic recovery will be slow and, as a result, 23 the relative loads of customer classes are more likely to reflect 2012 loads than 2010 24 loads during the next IRM cycle.

#### 25 1.2 Hydro 2000's 2008 Cost Allocation Information Filing

Hydro 2000 has not filed a prior cost allocation, and asked Elenchus to prepare its 2012
cost allocation from scratch. This model was performed in accordance with the internal
documentation in the v 2.1 Cost Allocation Model (CA Model). Hydro 2000's 2008
Cost Allocation Information Filing ("CAIF") relied on the Board's 2006 Cost Allocation

Model ("CA Model") and was prepared in accordance with the September 29, 2006 Board report entitled *Cost Allocation: Board Directions on Cost Allocation Methodology* for *Electricity Distributors* ("the Directions"), the subsequent (November 15, 2006) *Cost Allocation Informational Filing Guidelines for Electricity Distributors* ("the Guidelines"), and the *Cost Allocation Review: User Instruction for the Cost Allocation Model for Electricity Distributors* ("the Instructions").

#### 7 1.3 STRUCTURE OF THE REPORT

The remainder of this report is divided into three additional sections. Section 2 provides an overview of the Hydro 2000 CA Study, explaining the model run (or version of the CA model) included in the study, as well as the load and cost information used. Section section explains the methodology used to develop the 2012 Hydro 2000 model by documenting each step taken in completing the model. Section 4 summarizes the results of the Hydro 2000 CA Study, showing the class revenue requirements and revenue to cost ratios generated by the CA model.

# 1 2 OVERVIEW OF THE HYDRO 2000 2012 CA STUDY

#### 2 2.1 MODELS RUNS INCLUDED IN THE HYDRO 2000 COST ALLOCATION STUDY

3 Section 2.10.3 of the updated Filing Requirements specifies that the following4 information should be provided :

- "The previously-approved ratios most recently implemented by the distributor";
- "The ratios that would result from the most recent approved distribution rates and the distributor's forecast of billing quantities in the test year, prorated upwards or downwards (as applicable) to match the revenue requirement, together with the updated cost allocation model; and "The ratios that are proposed for the Test Year, which are the proposed class revenues, together with the updated cost allocation model" which is the appropriate 2012 model.
- Hence, the cost allocation study prepared for purposes of all 2012 cost of service
   filings has been designated: H2000-2012: Hydro 2000 2012 Model: The version
   2.1 CA Model with 2012 loads, costs, and revenues.

#### 15 2.2 LOAD AND CUSTOMER INFORMATION

The updated Filing Requirements specify that "If updated load profiles are not available, the load profiles of the classes may be the same as those provided by Hydro One for use in the Informational Filing, scaled to match the load forecast as it relates to the respective rate classes (see section 2.6.2 above). In particular, if a rate class has experienced a decline in customers or disappeared, or will disappear in the Test Year, the model must be consistent with the updated load forecast, and include an explanation of the changed load forecast of the rate class." (Section 2.10.1, pp. 37-38)

The Hydro 2000 2012 model has been prepared using the following load and loadprofile information:

Annual Loads (kW and kWh, as appropriate) and customer counts: The
 2012 load forecast and customer counts by class being used by Hydro 2000 in its

application were also used for the 2012 CA model. Hydro 2000's load forecast
 was prepared by Elenchus.

3

4

• **Hourly load profile:** The hourly load profiles prepared by Hydro One for the 2006 CAIF was used for all classes.

5 The hourly load profiles provided by Hydro One for all of the classes for the 2006 model 6 were considered to be appropriate for use in the 2012 model for the following reasons.

7 1. Elenchus explored alternatives for updating the hourly load profiles by rate class 8 comparable to the estimated load profiles that Hydro One prepared for the LDCs for 9 their 2006 CA Models. Hydro One advised that they no longer have the capacity to 10 produce a significant number of LDC-specific hourly load profiles. As far as Elenchus 11 is aware, no other entity has the necessary information and models to produce 12 comparable quality hourly load profiles for Ontario LDCs. It therefore was not 13 practical for distributors to update their hourly load profiles by class except in 14 exceptional circumstances.

There would be little point in investing in updated load profiles without also investing
 in updated saturation surveys for the residential class in each service area. These
 are expensive and time consuming to undertake as they involve a survey of a
 statistically significant sample of customers.

With the widespread rollout of smart meters and the collection of smart meter data,
 Ontario distributors will have better hourly load profile by class data than the Hydro
 One estimates. Unless there is evidence of a significant change in circumstances,
 investing in new hourly load profile by class estimates would be a questionable use
 of ratepayer funds when superior hourly load profile information will be available in
 the next few years at minimal incremental cost.

4. Both time-of-use commodity pricing and changes to the design of distribution ratescan be expected to alter the hourly load profiles of the affected classes.

5. The 2006 hourly load profiles were based on 2004 actual loads and updated hourly
load profiles would be based on 2010 actual loads. An update of the hourly load
profiles after 6 years (2004 to 2010) can be expected to produce changes in cost

responsibility that are small relative to the tolerances that are necessary given the
imprecision of the allocated costs based on the 2006 CA Model methodology. (The
revenue-to-cost ratio bands set out in the CA Application Report appear to recognize
the lack of precision in cost allocation studies at this time.)

5 6. There are no remaining Intermediate or Large User customers in the Hydro 20006 service area.

#### 7 2.3 Cost Information

As noted earlier, Elenchus' preferred methodology for preparing 2012 cost allocation models is to use the prospective 2012 test year as the basis for the CA Study, assuming appropriate expense and asset information is available for the 2012 test year. In the case of Hydro 2000, the financial information for the forecast year has been prepared at the USoA level consistent with the level of detail embedded in the OEB's cost allocation model.<sup>3</sup>

<sup>&</sup>lt;sup>3</sup> Some information (i.e., meter counts and some amortization detail) that is used in the Board's CA Model is not explicitly forecasted for the test year. These values were estimated using scaling factors based on prior year ratios. For example, the ratio of meters to customers was assumed to be constant. The portion of the total costs accounted for in this manner was too small for any plausible estimation errors to have a significant impact on the test year revenue to cost ratios.

### 1 3 HYDRO 2000 COST ALLOCATION STUDY METHODOLOGY

2 This section documents Elenchus' methodology for the Hydro 2000 Cost Allocation3 Study, the 2012 CA Model.

#### 4 3.1 2012 HYDRO 2000 CA MODEL

5 3.1.1 HOURLY LOAD PROFILE (HONI FILE)

For the Hydro 2000 CAIF, HONI provided data files with three worksheets that were tobe used as input to the 2008 CAIF:

Data Summary: actual and weather normalized monthly kWh by class,
 disaggregated by weather sensitive and non-weather sensitive load for relevant
 classes.

• Hourly Load Shape by Class: GWh by class for each hour in 2004.

Input to Cost Allocation Model: The 1CP, 4CP, 12CP, 1NCP, 4NCP, 12NCP
 allocators are derived from the hourly load profiles.

The Hydro 2000 hourly load shapes derived by Hydro One for the 2006 CAIF were not updated. However, the demand allocators derived by Hydro One for the 2006 CAIF were revised to reflect changes in the relative loads for the classes from 2004 to 2012. This was done by scaling the hourly load profiles of each class on the Hourly Load Shape by Class worksheet of the HONI file to levels consistent with the 2012 load forecast while maintaining the hourly load shapes.

#### 20 3.1.2 DEMAND ALLOCATORS (HONI FILE)

The demand allocators used in the H2000-2012 CA model were derived using the same methodology as Hydro One used for the 2006 file; however, they were re-determined using the forecast 2012 hourly load profiles resulting from the preceding step. Using the 2012 hourly load profiles by class, the 12 monthly coincident and non-coincident peaks for the rate classes were determined on the Hourly Load Shape by Rate Class worksheet. The allocators were then derived as follows.

- The 1, 4 and 12 NCP values for each class were calculated by selecting the peak
   in the year (1 NCP), summing the four highest monthly peaks (4 NCP) and
   summing the 12 monthly peaks for each class (12 NCP), respectively.
- The total 1, 4 and 12 NCP values are the totals of the corresponding class NCP
  values.
- The 1, 4 and 12 CP values for each class were derived by identifying the hour in
  each month when the coincident peak occurred and then selecting the peak in
  the year (1 CP), adding the demands during the four highest coincident peak
  hours (4 CP) and summing the demand for each class during the 12 monthly
  coincident peak hours (12 CP), respectively.
- The total 1, 4 and 12 CP values are the totals of the corresponding class CP
   values, which are the values used to identify the relevant coincident peak hours.
- 13 3.1.3 2012 DEMAND DATA (H2000-2012 MODEL)

The demand allocators derived in the updated Hydro One file as described in the preceding section were input at the appropriate cells at sheet I8 Demand Data of the 2012 Hydro 2000 CA Model. . The Line Transformer and Secondary 1NCP, 4NCP and 12NCP values were determined from the full load data NCP values using the ratio of values in the 2006 CA Model.

#### 19 3.1.4 2012 CUSTOMER DATA (H2000-2012 MODEL)

- The 30 year weather normalized kWh by rate class which was an input from the Hydro One file at Sheet I6 Customer Data row 27 in the 2006 CA model was replaced with the 2012 load forecast in the 2012 CA Model.
- In addition, the demand data (kW and kWh) in rows 25, 26, 29, and 50 of Sheet I6.1
  Revenue were replaced with the forecasted values.
- 25 The 2012 Distribution Revenue in row 39 was derived using the forecast demand (kW
- and kWh) and customer counts by rate class and the existing 2011 rates.

#### 1 **3.1.5 2012 REVENUE TO COST RATIOS**

Since Hydro 2000 is proposing to set rates that recover its full revenue requirement, the total revenue to cost ratio at proposed rates will be 100% in 2012. The 2012 total revenue to cost ratio at current rates is less than 100% by the amount of the required rate increase. The revenue to cost ratios of the classes reflect the costs allocated to the classes based on the OEB CA Model methodology and the revenues that would be generated at current rates given the forecast demand (kW and kWh) and customer counts by rate class for 2012.

# 1 4 SUMMARY OF REVENUE TO COST RATIOS

- 2 The class revenue-to-cost ratios as determined in the Hydro 2000 cost allocation
- 3 models are shown in Table 7, below.

#### 4 <u>Table 7: Revenue to Cost Ratios</u>

|                 |            | H2000-2012       |                    |
|-----------------|------------|------------------|--------------------|
| Customer Class  | H2000-2008 | Status Quo Rates | Board Target Range |
| Residential     | 104.2      | 79.55            | 85-115             |
| GS < 50 kW      | 100.0      | 189.11           | 80-120             |
| GS > 50 kW      | 100.0      | 192.12           | 80-120             |
| Street Lighting | 71.8       | 101.21           | 70-120             |
| USL             | 27.9       | 103.11           | 80-120             |
| Total           | 100.00     | 100.00           |                    |

5

6 The H2000-2012 ratios (at current rates) reflect the impact of changes in throughput by

7 class as well as changes in costs from 2006 through the 2012 forecast test year.

8 Table 8 presents the revenue responsibility (i.e., allocation of the total revenue9 requirement to the rate classes) in each of the models. This revenue responsibility is

10 presented in both dollar and percentage terms.



#### Table 8: Revenue Responsibility by Rate Class

|                 | H2000-2006 |        | H2000-2012 |        |
|-----------------|------------|--------|------------|--------|
| Customer Class  | \$         | %      | \$         | %      |
| Residential     | 303,952    | 60.70  | 462,687    | 79.30  |
| GS < 50 kW      | 115,577    | 23.08  | 77,266     | 13.24  |
| GS > 50 kW      | 48,518     | 9.59   | 27,704     | 4.75   |
| Street Lighting | 24,902     | 4.97   | 13,941     | 2.39   |
| USL             | 7,779      | 1.55   | 1,839      | 0.32   |
| Total           | 500,727    | 100.00 | 583,437    | 100.00 |

2

1

## 1 5 FIXED CHARGE RATES

- 2 The H2000-2012 cost allocation model produced the following customer unit cost per
- 3 month values:

#### 4 Table 9: 2012 Customer Unit Cost per Month

| Customer Class  | Avoided Cost | Directly Related | Minimum System with PLCC <sup>4</sup><br>Adjustment |
|-----------------|--------------|------------------|-----------------------------------------------------|
| Residential     | 9.44         | 25.03            | 30.39                                               |
| GS < 50 kW      | 11.26        | 29.20            | 33.29                                               |
| GS > 50 kW      | 22.70        | 53.23            | 56.19                                               |
| Street Lighting | 0.02         | 0.07             | 3.14                                                |
| USL             | 8.30         | 22.50            | 25.51                                               |

- 5 In accordance with Board policy,<sup>5</sup> the following boundary values would apply for the
- 6 fixed monthly service charge:

#### 7 Table 10: 2012 Fixed Charge Boundary Values

|                 | Cost Allocation |       |               | Boundary Values |         |
|-----------------|-----------------|-------|---------------|-----------------|---------|
| Customer Class  | Low             | High  | Existing Rate | Minimum         | Maximum |
| Residential     | 9.44            | 30.39 | 8.53          | 8.53            | 30.39   |
| GS < 50 kW      | 11.26           | 33.29 | 24.61         | 11.26           | 33.29   |
| GS > 50 kW      | 22.70           | 56.19 | 120.73        | 22.70           | 120.73  |
| Street Lighting | 0.02            | 3.14  | 0.05          | 0.02            | 3.14    |
| USL             | 8.30            | 25.51 | 12.31         | 8.30            | 25.51   |

8

<sup>&</sup>lt;sup>4</sup> PLCC: 'Peak Load Carrying Capacity'

<sup>&</sup>lt;sup>5</sup> Ontario Energy Board, *Report of the Board, Application of Cost Allocation for Electricity Distributors* (EB-2007-0667), November 28, 2007, pages 12-13

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 7 Tab 2

Exhibit 7: Cost Allocation

## Tab 2 (of 2): Revenue Allocation and Revenue-to-Cost Ratios

- **Overview of Revenue Allocation and Revenue to Cost** 1 **Ratios** 2
- 3

4 The following table shows the Revenue to Cost ratios by rate class from the 2008 Cost 5 of Service Cost Allocation model, Hydro 2000's proposed target ratios and the Board-6 prescribed ranges and associated bill impacts for these ratios:

- 7
- 8

|               | 2008 EDR<br>(at current rates) | Proposed<br>Ratios | Prescribed Range | Bill impact |
|---------------|--------------------------------|--------------------|------------------|-------------|
| Residential   | 0.80                           | 0.85               | 0.85-1.20        | 7.00%       |
| GS<50kW       | 1.89                           | 1.6                | 0.80-1.20        | 3.80%       |
| GS>50-4999kW  | 1.92                           | 1.8                | 0.80-1.20        | 5.60%       |
| USL           | 1.03                           | 1.03               | 0.80-1.20        | 26.20%      |
| Street Lights | 1.01                           | 1.1                | 0.70-1.20        | 3.80%       |

9

10 Hydro 2000 proposes to move the Revenue to Cost ratio for the Residential class from 11 the existing 0.80 to the prescribed floor of 0.85. The resulting ratio of 0.85 complies with

- 12 all OEB requirements:
- 13 ratio moves towards 1.00 •
- 14 ratio does not cross unity

• ratio is within the prescribed range

15 16

17 2008 Revenue to Cost ratios at current rates indicate that both General Service classes 18 results greater than the applicable prescribed range. Hydro 2000 proposes to move 19 these ratios to the applicable boundary over a period of four years to achieve the target 20 range ceiling of 1.20 in 2015. The changes would be phased in over the Incentive 21 Regulation periods as proposed in the table below:

22

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1

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### Table 2: Proposed Changes to Revenue to Cost Ratios

|              | 2008 | 2012 | 2013 | 2014 | 2015 |
|--------------|------|------|------|------|------|
| GS<50kW      | 1.89 | 1.60 | 1.40 | 1.30 | 1.20 |
| GS>50-4999kW | 1.92 | 1.80 | 1.60 | 1.40 | 1.20 |

3

Revenue to Cost ratios for Unmetered Scattered Load (USL) and Street Lighting were
within the applicable prescribed range and therefore Hydro 2000 proposes to leave their

6 ratios at their existing levels of 1.03 (USL) and 1.01 (Street Lights)

7

8 The following table demonstrates the effect of this proposed approach and the resulting

9 total bill impacts in the test year if Hydro 2000 was to move all classes to the applicable

- 10 prescribed ranges over a single year.
- 11

|               | 2008 EDR<br>(at current rates) | Prescribed<br>Target | Prescribed Range | Bill impact |
|---------------|--------------------------------|----------------------|------------------|-------------|
| Residential   | 0.8                            | 0.85                 | 0.85-1.20        | 9.60%       |
| GS<50kW       | 1.89                           | 1.20                 | 0.80-1.20        | -1.20%      |
| GS>50-4999kW  | 1.92                           | 1.20                 | 0.80-1.20        | 2.30%       |
| USL           | 1.03                           | 1.03                 | 0.80-1.20        | 26.20%      |
| Street Lights | 1.01                           | 1.1                  | 0.70-1.20        | 3.80%       |

12

13 The following tables provide further details and analysis of cost allocation results and

14 revenue to cost ratios

15 • Attachment 1: Sheet O1 from the cost allocation model

- 16 Attachment 2: Sheet O2 from the cost allocation model
- 17 Attachment 3: Table of Allocation Results
- 18 Attachment 4: Revenue to Cost Ratios
- 19 Attachment 5: Test Year Revenue Impacts

20



#### Instructions: Please see the first tab in this workbook for detailed instructions

#### Class Revenue, Cost Analysis, and Return on Rate Base

|                     |                                               |             | 1                            | 2               | 3             | 7            | 9              |
|---------------------|-----------------------------------------------|-------------|------------------------------|-----------------|---------------|--------------|----------------|
|                     |                                               |             | •                            | 4               |               | '            | Unmetered      |
| Rate Base<br>Assets |                                               | Total       | Residential                  | GS <50          | GS>50-Regular | Street Light | Scattered Load |
| crev                | Distribution Revenue at Existing Rates        | \$314,301   | \$196,826                    | \$80,104        | \$29,192      | \$7,144      | \$1,036        |
| mi                  | Miscellaneous Revenue (mi)                    | \$20,303    | \$15,436<br>cellaneous Reven |                 | \$922         | \$1,310      | \$40           |
|                     | Total Revenue at Existing Rates               | \$334,604   | \$212,262                    |                 |               | \$8,454      | \$1,076        |
|                     | Factor required to recover deficiency (1 + D) | 1.7917      | ¥212,202                     | <b>\$02,000</b> | ¢00,110       | ¥0,404       | ¢1,070         |
|                     | Distribution Revenue at Status Quo Rates      | \$563,134   | \$352,653                    | \$143,522       | \$52,303      | \$12,799     | \$1,856        |
|                     | Miscellaneous Revenue (mi)                    | \$20,303    | \$15,436                     | \$2,596         | \$922         | \$1,310      | \$40           |
|                     | Total Revenue at Status Quo Rates             | \$583,437   | \$368,089                    | \$146,118       | \$53,225      | \$14,110     | \$1,896        |
|                     | Expenses                                      |             |                              |                 |               |              |                |
| di                  | Distribution Costs (di)                       | \$14,825    | \$9,601                      | \$2,273         | \$1,885       | \$1,050      | \$17           |
| cu                  | Customer Related Costs (cu)                   | \$144,502   | \$123,827                    | \$17,753        | \$2,224       | \$100        | \$598          |
| ad                  | General and Administration (ad)               | \$275,507   | \$230,011                    | \$34,734        | \$7,444       | \$2,266      | \$1,052        |
| dep                 | Depreciation and Amortization (dep)           | \$76,703    | \$50,985                     | \$11,677        | \$8,655       | \$5,298      | \$87           |
| INPUT               | PILs (INPUT)                                  | \$5,328     | \$3,576                      | \$802           | \$555         | \$387        | \$6            |
| INT                 | Interest                                      | \$29,652    | \$19,904                     | \$4,466         | \$3,091       | \$2,156      | \$35           |
|                     | Total Expenses                                | \$546,517   | \$437,905                    | \$71,705        | \$23,855      | \$11,257     | \$1,795        |
|                     | Direct Allocation                             | \$0         | \$0                          | \$0             | \$0           | \$0          | \$0            |
| NI                  | Allocated Net Income (NI)                     | \$36,920    | \$24,782                     | \$5,561         | \$3,849       | \$2,684      | \$44           |
|                     | Revenue Requirement (includes NI)             | \$583,437   | \$462.687                    | \$77.266        | \$27,704      | \$13,941     | \$1,839        |
|                     | ,                                             | Revenue Re  | quirement Input e            | nuals Output    |               |              |                |
|                     |                                               |             | qui onon input o             | auto output     |               |              |                |
|                     | Rate Base Calculation                         |             |                              |                 |               |              |                |
|                     | Net Assets                                    |             |                              |                 |               |              |                |
| dp                  | Distribution Plant - Gross                    | \$1,013,467 | \$669,792                    | \$152,874       | \$114,341     | \$75,231     | \$1,229        |
| gp                  | General Plant - Gross                         | \$177,392   | \$118,704                    | \$26,725        | \$18,799      | \$12,951     | \$212          |
| ccum dep            |                                               | (\$523,141) | (\$341,683)                  | (\$79,003)      | (\$62,377)    | (\$39,433)   | (\$644)        |
| со                  | Capital Contribution                          | (\$118,182) | (\$78,105)                   | (\$17,827)      | (\$13,333)    | (\$8,773)    | (\$143)        |
|                     | Total Net Plant                               | \$549,536   | \$368,708                    | \$82,769        | \$57,429      | \$39,976     | \$654          |
|                     | Directly Allocated Net Fixed Assets           | \$0         | \$0                          | \$0             | \$0           | \$0          | \$0            |
| COP                 | Cost of Power (COP)                           | \$2,324,713 | \$1,397,846                  | \$447,972       | \$444,176     | \$32,961     | \$1,757        |
|                     | OM&A Expenses                                 | \$434,834   | \$363,439                    | \$54,760        | \$11,553      | \$3,416      | \$1,666        |
|                     | Directly Allocated Expenses                   | \$0         | \$0                          | \$0             | \$0           | \$0          | \$0            |
|                     | Subtotal                                      | \$2,759,547 | \$1,761,285                  | \$502,732       | \$455,729     | \$36,376     | \$3,424        |
|                     | Working Capital                               | \$413,932   | \$264,193                    | \$75,410        | \$68,359      | \$5,456      | \$514          |
|                     | Total Rate Base                               | \$963,468   | \$632,901                    | \$158,179       | \$125,789     | \$45,432     | \$1,168        |
|                     |                                               | Rate E      | Base Input equals            | Output          |               |              |                |
|                     | Equity Component of Rate Base                 | \$481,734   | \$316,450                    | \$79,090        | \$62,894      | \$22,716     | \$584          |
|                     | Net Income on Allocated Assets                | \$36,920    | (\$69,816)                   | \$74,412        | \$29,370      | \$2,853      | \$101          |
|                     | Net Income on Direct Allocation Assets        | \$0         | \$0                          | \$0             | \$0           | \$0          | \$0            |
|                     | Net Income                                    | \$36,920    | (\$69,816)                   | \$74,412        | \$29,370      | \$2,853      | \$101          |
|                     |                                               | ,,          | (+,)                         | ** .,           | +,            | +_,          |                |
|                     | RATIOS ANALYSIS                               |             |                              |                 |               |              |                |
|                     | REVENUE TO EXPENSES STATUS QUO%               | 100.00%     | 79.55%                       | 189.11%         | 192.12%       | 101.21%      | 103.11%        |
|                     | EXISTING REVENUE MINUS ALLOCATED COSTS        | (\$248,833) | (\$250,425)                  | \$5,433         | \$2,409       | (\$5,487)    | (\$763)        |
|                     |                                               | Defici      | ency Input equals            | Output          |               |              |                |
|                     | STATUS QUO REVENUE MINUS ALLOCATED COSTS      | (\$0)       | (\$94,598)                   | \$68,852        | \$25,520      | \$169        | \$57           |
|                     |                                               |             |                              |                 |               |              |                |
|                     | RETURN ON EQUITY COMPONENT OF RATE BASE       | 7.66%       | -22.06%                      | 94.09%          | 46.70%        | 12.56%       | 17.31%         |



-

#### Sheet O2 Monthly Fixed Charge Min. & Max. Worksheet - 2012 EDR Application

Output sheet showing minimum and maximum level for Monthly Fixed Charge

|                                                                       | 1           | 2       | 3             | 7            | 9                           |
|-----------------------------------------------------------------------|-------------|---------|---------------|--------------|-----------------------------|
| <u>Summary</u>                                                        | Residential | GS <50  | GS>50-Regular | Street Light | Unmetered<br>Scattered Load |
| Customer Unit Cost per month - Avoided Cost                           | \$9.44      | \$11.26 | \$22.70       | \$0.02       | \$8.30                      |
| Customer Unit Cost per month - Directly Related                       | \$25.03     | \$29.20 | \$53.23       | \$0.07       | \$22.50                     |
| Customer Unit Cost per month - Minimum System<br>with PLCC Adjustment | \$30.39     | \$33.29 | \$56.19       | \$3.14       | \$25.51                     |
| Existing Approved Fixed Charge                                        | \$8.53      | \$24.61 | \$120.73      | \$0.05       | \$12.31                     |

Hydro 2000 (ED-2002-0542) 2012 EDR Application (EB-2011-0326) version: 10 October 10, 2011

### Table 7.2.1.3 Table of Cost Allocation Results

Enter selected amounts from sheets 'O1' and 'O2' of Cost Allocation model

|                                   | <b>REVENUE ALLOCA</b> | TION (she                                | et O1)        |               |               |               |               |
|-----------------------------------|-----------------------|------------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Customer Class Name               | Service Revenue       | %                                        | Miscellaneous | %             | Base Revenue  | %             | Revenue to    |
|                                   | Requirement           | == = = = = = = = = = = = = = = = = = = = | Revenue (mi)  | =0.000/       | Requirement * |               | Expenses %    |
| Residential                       | 462,687               | <u>79.30%</u>                            | <u> </u>      | <u>76.03%</u> | 447,251       | <u>79.42%</u> | <u>79.55%</u> |
| General Service < 50 kW           | 77,266                | 13.24%                                   | 2,596         | 12.79%        | 74,670        | 13.26%        | 189.11%       |
| General Service > 50 to 4999 kW   | 27,704                | 4.75%                                    | 922           | 4.54%         | 26,782        | 4.76%         | 192.12%       |
| Unmetered Scattered Load          | 1,839                 | 0.32%                                    | 40            | 0.20%         | 1,799         | 0.32%         | 103.11%       |
| Street Lighting                   | 13,941                | 2.39%                                    | 1,310         | 6.45%         | 12,631        | 2.24%         | 101.21%       |
|                                   |                       |                                          |               |               |               |               |               |
| TOTAL (from Column C of sheet O1) | 583,437               | 100.00%                                  | 20,303        | 100.00%       | 563,134       | 100.00%       | 100.00%       |
|                                   | OK                    | OK                                       | OK            | OK            | OK            | OK            |               |

\* Service Revenue Requirement less Miscellaneous Revenue

|                                 | CUSTOMER UNIT COST PER MONTH (sheet O2) |                     |                                             |                           |                      |  |  |  |  |  |
|---------------------------------|-----------------------------------------|---------------------|---------------------------------------------|---------------------------|----------------------|--|--|--|--|--|
| Customer Class Name             | Avoided Costs<br>(Minimum Charge)       | Directly<br>Related | Minimum System<br>with PLCC *<br>adiustment | Existing<br>Fixed<br>Rate | Maximum<br>Charge ** |  |  |  |  |  |
| Residential                     | \$9.44                                  | \$25.03             | \$30.39                                     | \$8.53                    | \$30.39              |  |  |  |  |  |
| General Service < 50 kW         | \$11.26                                 | \$29.20             | \$33.29                                     | \$24.61                   | \$33.29              |  |  |  |  |  |
| General Service > 50 to 4999 kW | \$22.70                                 | \$53.23             | \$56.19                                     | \$120.73                  | \$120.73             |  |  |  |  |  |
| Unmetered Scattered Load        | \$8.30                                  | \$22.50             | \$25.51                                     | \$12.31                   | \$25.51              |  |  |  |  |  |
| Street Lighting                 | \$0.02                                  | \$0.07              | \$3.14                                      | \$0.05                    | \$3.14               |  |  |  |  |  |
|                                 |                                         |                     |                                             |                           |                      |  |  |  |  |  |

\* PLCC = 'Peak Load Carrying Capability'

\*\* Greater of 'Directly Related', 'Minimum System with PLCC adjustment', and Existing Fixed Rate

#### Hydro 2000 (ED-2002-0542) 2012 EDR Application (EB-2011-0326) version: 10 October 10, 2011

### Table 7.2.1.4 Revenue Allocation and Revenue to Cost Ratios

Enter allocation of Base Revenue Requirement and RC ratio ranges by customer class

|                                 | Base Re                         | venue Require                  | ment %              | Base Revenue Requirement \$ <sup>3</sup> |                   |                     |  |
|---------------------------------|---------------------------------|--------------------------------|---------------------|------------------------------------------|-------------------|---------------------|--|
| Customer Class Name             | Cost<br>Allocation <sup>1</sup> | Existing<br>Rates <sup>2</sup> | Rate<br>Application | Cost Allocation                          | Existing<br>Rates | Rate<br>Application |  |
| Residential                     | 79.42%                          | 62.62%                         | 67.22%              | 447,251                                  | 352,653           | 378,522             |  |
| General Service < 50 kW         | 13.26%                          | 25.49%                         | 21.49%              | 74,670                                   | 143,522           | 121,030             |  |
| General Service > 50 to 4999 kW | 4.76%                           | 9.29%                          | 8.69%               | 26,782                                   | 52,303            | 48,945              |  |
| Unmetered Scattered Load        | 0.32%                           | 0.33%                          | 0.33%               | 1,799                                    | 1,856             | 1,854               |  |
| Street Lighting                 | 2.24%                           | 2.27%                          | 2.27%               | 12,631                                   | 12,799            | 12,783              |  |
| TOTAL                           | 100.00%                         | 100.00%                        | 100.00%             | 563,133                                  | 563,134           | 563,134             |  |
|                                 |                                 |                                | OK                  |                                          |                   | OK                  |  |

<sup>1</sup> from sheet F2

<sup>2</sup> from sheet C3

<sup>3</sup> Base Revenue Requirement (from sheet F1) multinlied by Base Revenue Requirement %

|                                 | Revenue Offs | ets <sup>4</sup> | Base Re | evenue Requiren | nent \$     | Service Revenue Requirement \$ <sup>5</sup> |          |             |
|---------------------------------|--------------|------------------|---------|-----------------|-------------|---------------------------------------------|----------|-------------|
| Customer Class Name             | 0/           | <b>^</b>         | Cost    | Existing        | Rate        | Cost                                        | Existing | Rate        |
|                                 | 70           | % \$             |         | Rates           | Application | Allocation                                  | Rates    | Application |
| Residential                     | 76.03%       | 15,436           | 447,251 | 352,653         | 378,522     | 462,687                                     | 368,089  | 393,958     |
| General Service < 50 kW         | 12.79%       | 2,596            | 74,670  | 143,522         | 121,030     | 77,266                                      | 146,118  | 123,626     |
| General Service > 50 to 4999 kW | 4.54%        | 922              | 26,782  | 52,303          | 48,945      | 27,704                                      | 53,225   | 49,867      |
| Unmetered Scattered Load        | 0.20%        | 40               | 1,799   | 1,856           | 1,854       | 1,839                                       | 1,896    | 1,894       |
| Street Lighting                 | 6.45%        | 1,310            | 12,631  | 12,799          | 12,783      | 13,941                                      | 14,109   | 14,093      |
| TOTAL                           | 100.00%      | 20,304           | 563,133 | 563,134         | 563,134     | 583,437                                     | 583,438  | 583,438     |

<sup>4</sup> %s from sheet F2: total \$ from sheet F1

<sup>5</sup> Revenue Offsets plus Base Revenue Requirement

|                                 | Service     | Service Revenue Requirement |                         |                         |          | Target Range  |                       |
|---------------------------------|-------------|-----------------------------|-------------------------|-------------------------|----------|---------------|-----------------------|
| Customer Class Name             | Rate        | Cost                        | Revenue to              | Revenue to              | Variance | <b>F</b> lass | <b>O</b> a lillion or |
|                                 | Application | Allocation                  | Cost Ratio <sup>6</sup> | Cost Ratio <sup>7</sup> |          | Floor         | Celiling              |
| Residential                     | 393,958     | 462,687                     | 0.85                    | 0.80                    | 0.06     | 0.85          | 1.15                  |
| General Service < 50 kW         | 123,626     | 77,266                      | 1.60                    | 1.89                    | -0.29    | 0.80          | 1.20                  |
| General Service > 50 to 4999 kW | 49,867      | 27,704                      | 1.80                    | 1.92                    | -0.12    | 0.80          | 1.20                  |
| Unmetered Scattered Load        | 1,894       | 1,839                       | 1.03                    | 1.03                    | -0.00    | 0.70          | 1.20                  |
| Street Lighting                 | 14,093      | 13,941                      | 1.00                    | 1.01                    | -0.01    | 0.70          | 1.20                  |
|                                 |             |                             |                         |                         |          |               |                       |
| TOTAL                           | 583,438     | 583,437                     | 1.00                    | 1.00                    | 0.00     |               |                       |

<sup>6</sup> Rate Application value divided by Cost Allocation value

<sup>7</sup> from sheet F2

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 8

## Exhibit 8:

**Rate Design** 

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 8 Tab 1

Exhibit 8: Rate Design

## Tab 1 (of 4): Existing Rates

Appendix A

To Decision and Order Draft Tariff of Rates and Charges Board File No: EB-2010-0089 DATED: April 21, 2011

Page 1 of 8

### Hydro 2000 Inc. TARIFF OF RATES AND CHARGES Effective and Implementation Date May 1, 2011

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

EB-2010-0089

### **RESIDENTIAL SERVICE CLASSIFICATION**

This classification refers to an account taking electricity at 750 volts or less where the electricity is used exclusively by residential customers residing in detached, semi-detached or townhouse dwelling units. 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<br>Smart Meter Funding Adder – effective until April 30, 2012                                                          | \$<br>\$          | 8.53<br>1.69       |
|---------------------------------------------------------------------------------------------------------------------------------------|-------------------|--------------------|
| Rate Rider for Recovery of Late Payment Penalty Litigation Costs - effective until April 30, 2012                                     | \$                | 0.20               |
| Distribution Volumetric Rate Low Voltage Service Rate                                                                                 | \$/kWh<br>\$/kWh  | 0.0060<br>0.0055   |
| Rate Rider for Global Adjustment Sub-Account (2011) – effective until April 30, 2012                                                  | <u>ф</u> // ум//- | 0.0000             |
| Applicable only for Non-RPP Customers<br>Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2012 | \$/kWh<br>\$/kWh  | 0.0008<br>(0.0017) |
| Retail Transmission Rate – Network Service Rate<br>Retail Transmission Rate – Line and Transformation Connection Service Rate         | \$/kWh<br>\$/kWh  | 0.0057<br>0.0045   |
|                                                                                                                                       | Φ/ΚννΠ            | 0.0045             |

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

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### Hydro 2000 Inc. TARIFF OF RATES AND CHARGES Effective and Implementation Date May 1, 2011

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

EB-2010-0089

### **GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION**

This classification refers to a non residential account taking electricity at 750 volts or less whose average monthly average peak demand is less than, or is forecast to be less than, 50 kW. This section shall include small apartment buildings, stacked townhouses, and smaller commercial, industrial and institutional developments. 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                                                                                    | \$     | 24.61    |
|---------------------------------------------------------------------------------------------------|--------|----------|
| Smart Meter Funding Adder – effective until April 30, 2012                                        | \$     | 1.69     |
| Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012 | \$     | 0.57     |
| Distribution Volumetric Rate                                                                      | \$/kWh | 0.0081   |
| Low Voltage Service Rate                                                                          | \$/kWh | 0.0051   |
| Rate Rider for Global Adjustment Sub-Account (2011) – effective until April 30, 2012              |        |          |
| Applicable only for Non-RPP Customers                                                             | \$/kWh | 0.0008   |
| Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2012      | \$/kWh | (0.0017) |
| Retail Transmission Rate – Network Service Rate                                                   | \$/kWh | 0.0052   |
| Retail Transmission Rate – Line and Transformation Connection Service Rate                        | \$/kWh | 0.0045   |
|                                                                                                   |        |          |

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

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### Hydro 2000 Inc. TARIFF OF RATES AND CHARGES Effective and Implementation Date May 1, 2011

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

EB-2010-0089

### **GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION**

This classification refers to a non residential account whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW. 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                                                                                    | \$    | 120.73   |
|---------------------------------------------------------------------------------------------------|-------|----------|
| Smart Meter Funding Adder – effective until April 30, 2012                                        | \$    | 1.69     |
| Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012 | \$    | 2.54     |
| Distribution Volumetric Rate                                                                      | \$/kW | 0.9881   |
| Low Voltage Service Rate                                                                          | \$/kW | 1.9755   |
| Rate Rider for Global Adjustment Sub-Account (2011) – effective until April 30, 2012              |       |          |
| Applicable only for Non-RPP Customers                                                             | \$/kW | 0.3390   |
| Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2012      | \$/kW | (0.7285) |
| Retail Transmission Rate – Network Service Rate                                                   | \$/kW | 2.1334   |
| Retail Transmission Rate – Line and Transformation Connection Service Rate                        | \$/kW | 1.7937   |
|                                                                                                   |       |          |

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

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### Hydro 2000 Inc. TARIFF OF RATES AND CHARGES Effective and Implementation Date May 1, 2011

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

EB-2010-0089

### UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification refers to an account taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The customer will provide detailed manufacturer information/ documentation with regard to electrical demand/consumption of the proposed unmetered load. 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 (per connection)                                                                   | \$     | 12.31    |
|---------------------------------------------------------------------------------------------------|--------|----------|
| Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012 | \$     | 0.17     |
| Distribution Volumetric Rate                                                                      | \$/kWh | 0.0081   |
| Low Voltage Service Rate                                                                          | \$/kWh | 0.0050   |
| Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2012      | \$/kWh | (0.0017) |
| Retail Transmission Rate – Network Service Rate                                                   | \$/kWh | 0.0052   |
| Retail Transmission Rate – Line and Transformation Connection Service Rate                        | \$/kWh | 0.0045   |
|                                                                                                   |        |          |

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

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### Hydro 2000 Inc. TARIFF OF RATES AND CHARGES Effective and Implementation Date May 1, 2011

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

EB-2010-0089

### STREET LIGHTING SERVICE CLASSIFICATION

This classification refers to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting operation, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved OEB street lighting load shape template. 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 (per connection)                                                                   | \$    | 0.05     |
|---------------------------------------------------------------------------------------------------|-------|----------|
| Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012 | \$    | 0.03     |
| Distribution Volumetric Rate                                                                      | \$/kW | 7.1591   |
| Low Voltage Service Rate                                                                          | \$/kW | 1.5279   |
| Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2012      | \$/kW | (0.6253) |
| Retail Transmission Rate – Network Service Rate                                                   | \$/kW | 1.6088   |
| Retail Transmission Rate – Line and Transformation Connection Service Rate                        | \$/kW | 1.3866   |
|                                                                                                   |       |          |

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

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### Hydro 2000 Inc. TARIFF OF RATES AND CHARGES Effective and Implementation Date May 1, 2011

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

EB-2010-0089

### 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 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 | \$<br>5.25 |
|----------------|------------|
|                |            |
|                |            |
| 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 energy | %     | (1.00) |

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### Hydro 2000 Inc. TARIFF OF RATES AND CHARGES Effective and Implementation Date May 1, 2011

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

EB-2010-0089

### 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 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    |
| Statement of Account                                                                      | \$                            | 15.00    |
| Pulling post dated cheques                                                                | \$                            | 9.00     |
| Duplicate invoices for previous billing                                                   | \$                            | 15.00    |
| Request for other billing information                                                     | \$                            | 15.00    |
| Easement letter                                                                           | \$                            | 15.00    |
| Income Tax letter                                                                         | \$                            | 15.00    |
| Notification charge                                                                       | \$                            | 15.00    |
| Account history                                                                           | \$                            | 15.00    |
| Credit reference/credit check (plus credit agency costs)                                  | \$                            | 25.00    |
| Returned cheque charge (plus bank charges)                                                | \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ | 15.00    |
| Charge to certify cheque                                                                  | \$                            | 15.00    |
| Legal letter charge                                                                       | \$                            | 15.00    |
| Account set up charge/change of occupancy charge (plus credit agency costs if applicable) | \$<br>\$                      | 15.00    |
| Special meter reads                                                                       | \$                            | 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                                           | \$                            | 20.00    |
| Collection of account charge – no disconnection – after regular hours                     | \$<br>\$<br>\$<br>\$          | 50.00    |
| Disconnect/Reconnect at meter – during regular hours                                      | \$                            | 25.00    |
| Disconnect/Reconnect at meter – after regular hours                                       | \$                            | 50.00    |
| 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                                 | \$                            | 25.00    |
| Install/Remove load control device – after regular hours                                  | \$<br>\$                      | 50.00    |
| Service call – customer-owned equipment                                                   | \$                            | 30.00    |
| Service call – after regular hours                                                        | \$                            | 165.00   |
| Temporary service install & remove – overhead – no transformer                            | \$<br>\$                      | 500.00   |
| Temporary service install & remove – underground – no transformer                         | \$                            | 300.00   |
| Temporary service install & remove – overhead – with transformer                          | \$<br>\$                      | 1,000.00 |
| Specific Charge for Access to the Power Poles \$/pole/year                                | \$                            | 22.35    |

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### Hydro 2000 Inc. TARIFF OF RATES AND CHARGES Effective and Implementation Date May 1, 2011

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

EB-2010-0089

### **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 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 distributor and the retailer<br>Monthly Fixed Charge, per retailer | \$<br>\$ | 100.00<br>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 factors will be implemented upon the first subsequent billing for each billing cycle.

| Total Loss Factor – Secondary Metered Customer < 5,000 kW | 1.0660 |
|-----------------------------------------------------------|--------|
| Total Loss Factor – Secondary Metered Customer > 5,000 kW | N/A    |
| Total Loss Factor – Primary Metered Customer < 5,000 kW   | 1.0553 |
| Total Loss Factor – Primary Metered Customer > 5,000 KW   | N/A    |

### FIXED / VARIABLE REVENUE SPLITS

(Excluding Low Voltage rate adder and Transformer Allowance recoveries)

| 2012 Projected Revenue          | Net Distribution | Fixed Charge |         |            |         |
|---------------------------------|------------------|--------------|---------|------------|---------|
| at Existing Rates               | Revenue          | Revenue      | Fixed % | Variable % | Total % |
|                                 | (A)              | <i>(B)</i>   | (C)     | (D)        | (E)     |
| Residential                     | 88,222           | 108,604      | 123.10% | -23.10%    | 60.73%  |
| General Service Less Than 50 kW | 38,168           | 41,935       | 109.87% | -9.87%     | 26.27%  |
| General Service 50 to 4,999 kW  | 11,807           | 17,385       | 147.25% | -47.25%    | 8.13%   |
| Unmetered Scattered Load        | 150              | 886          | 591.92% | -491.92%   | 0.10%   |
| Street Lighting                 | 6,923            | 221          | 3.19%   | 96.81%     | 4.77%   |
| TOTAL                           | 145,270          | 169,032      | 116.36% | -16.36%    | 100.00% |

(A) per sheet "Net Distribution Revenue"

(B) per sheet C4

(C)=(B)/(A)

(D) = 1 - (C)

(E) Class Revenue from column (A) divided by Total from column (A)

| 2012 Projected Revenue<br>at Proposed Rates | Net Distribution<br>Revenue<br>(E) | Fixed Charge<br>Revenue<br>(F) | Fixed %<br>(G) | Variable %<br>(H) | Total % |
|---------------------------------------------|------------------------------------|--------------------------------|----------------|-------------------|---------|
| Residential                                 | 214,661                            | 163,861                        | 76.33%         | 23.67%            | 65.96%  |
| General Service Less Than 50 kW             | 70,762                             | 50,268                         | 71.04%         | 28.96%            | 21.74%  |
| General Service 50 to 4,999 kW              | 31,560                             | 17,385                         | 55.09%         | 44.91%            | 9.70%   |
| Unmetered Scattered Load                    | 792                                | 1,062                          | 134.06%        | -34.06%           | 0.24%   |
| Street Lighting                             | 7,661                              | 5,123                          | 66.87%         | 33.13%            | 2.35%   |
| TOTAL                                       | 325,435                            | 237,699                        | 73.04%         | 26.96%            | 100.00% |

(E) Sheet F4; "Total Base Revenue Requirement"

(F) Sheet F6; "Fixed Charge Revenue"

(G) = (F) / (E)

(H) = 1 - (G)

(I) Class Revenue from column (E) divided by Total from column (E)

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### **Overview of Existing Rates**

| 2  | Exhibit 8, Tab 1, Schedule 1 presents the schedule of existing approved rates which        |
|----|--------------------------------------------------------------------------------------------|
| 3  | came into effect May 1. 2011                                                               |
| 4  |                                                                                            |
| 5  | The existing rates for Specific Service Charges, Retail Services Charges and Loss          |
| 6  | Factors were approved by the Board in 2008 as part of the utility's cost of service        |
| 7  | application.                                                                               |
| 8  |                                                                                            |
| 9  | The class-specific rates for the monthly service charge and distribution volumetric result |
| 10 | from the cost of service approval in 2008 and annual adjustments in 2009, 2010 and         |
| 11 | 2011 under the Board's 3rd Generation Incentive Regulation Mechanism ("3GIRM").            |
| 12 | These adjustments included factors for the price cap factor and the transition towards a   |
| 13 | 40% deemed equity component in the utility's capital structure, The monthly service        |
| 14 | charge levels for metered classes include a \$1.69 funding adder for Smart Meters.         |
| 15 |                                                                                            |
| 16 | Table 2 below shows the list of approved rate riders.                                      |
| 17 |                                                                                            |

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### **Table 1: Approved Rate Riders**

|                                                         | Billing<br>Determinant | Residential | General<br>Service<br>< 50 kW | General<br>Service<br>> 50 to<br>4999 kW | Unmetered<br>Scattered<br>Load | Street<br>Lighting |
|---------------------------------------------------------|------------------------|-------------|-------------------------------|------------------------------------------|--------------------------------|--------------------|
| Rate Rider for Global Adjusment<br>Sub-Account          | Volumetric             | \$0.0008    | \$0.0008                      | \$0.3390                                 |                                |                    |
| Rate Rider for Deferral/Variance<br>Account Disposition | Volumetric             | (\$0.0017)  | (\$0.0017)                    | (\$0.7285)                               | (\$0.0017)                     | (\$0.6253)         |
| Rate Rider for Late Payment<br>Penalty Litigation Costs | Monthly                | \$0.2000    | \$0.5700                      | \$2.5400                                 | \$0.1700                       | \$0.0300           |
| LV Charges                                              | Volumetric             | \$0.0055    | \$0.0051                      | \$1.9755                                 | \$0.0055                       | \$1.5279           |
| Smart Meter Rate Adder                                  | Monthly                | \$1.6900    | \$1.6900                      | \$1.6900                                 |                                |                    |

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- 1 Projected base revenue at existing rates in 2012, excluding the adders listed at the
- 2 previous table.
- 3
- 4 The following table summarizes these revenue projections, showing the proportions
- 5 attributable to fixed (monthly service) charges and variable (distribution volumetric)
- 6 charges:
- 7

### Table 3: 2010 Fixed and Variable Charge Revenues at Existing Rates

8

### FIXED / VARIABLE REVENUE SPLITS

(Excluding Low Voltage rate adder recoveries)

| 2012 Projected Revenue<br>at Existing Rates | Net<br>Distribution<br>Revenue | Fixed Charge<br>Revenue | Fixed % | Variable<br>% | Total % |
|---------------------------------------------|--------------------------------|-------------------------|---------|---------------|---------|
|                                             | (A)                            | (B)                     | (C)     | (D)           | (E)     |
| Residential                                 | 88,222                         | 108,604                 | 123.10% | -23.10%       | 60.73%  |
| General Service Less Than 50 kW             | 38,168                         | 41,935                  | 109.87% | -9.87%        | 26.27%  |
| General Service 50 to 4,999 kW              | 11,807                         | 17,385                  | 147.25% | -47.25%       | 8.13%   |
| Unmetered Scattered Load                    | 150                            | 886                     | 591.92% | -491.92%      | 0.10%   |
| Street Lighting                             | 6,923                          | 221                     | 3.19%   | 96.81%        | 4.77%   |
| TOTAL                                       | 145,270                        | 169,032                 | 116.36% | -16.36%       | 100.00% |

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Exhibit 8: Rate Design

# Tab 2 (of 4): Proposed Changes to Distribution Rates

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### Table 8.2.1 Fixed to Variable Split

Enter the proposed fixed monthly rate for each customer class

|                                 | Existing Rates (a) |         |            | Cost Allocati | on - Minimum Fix | (ed Rate (b) | Cost Allocation - Maximun Fixed Rate (b) |         |            |
|---------------------------------|--------------------|---------|------------|---------------|------------------|--------------|------------------------------------------|---------|------------|
| Customer Class Name             | Rate               | Fixed % | Variable % | Rate          | Fixed %          | Variable %   | Rate                                     | Fixed % | Variable % |
| Residential                     | \$8.53             | 55.18%  | 44.82%     | \$9.44        | 31.75%           | 68.25%       | \$30.39                                  | 102.22% | -2.22%     |
| General Service < 50 kW         | \$24.61            | 52.35%  | 47.65%     | \$11.26       | 15.85%           | 84.15%       | \$33.29                                  | 46.87%  | 53.13%     |
| General Service > 50 to 4999 kW | \$120.73           | 59.55%  | 40.45%     | \$22.70       | 6.68%            | 93.32%       | \$120.73                                 | 35.52%  | 64.48%     |
| Unmetered Scattered Load        | \$12.31            | 85.55%  | 14.45%     | \$8.30        | 32.23%           | 67.77%       | \$25.51                                  | 99.06%  | 0.94%      |
| Street Lighting                 | \$0.05             | 3.09%   | 96.91%     | \$0.02        | 0.69%            | 99.31%       | \$3.14                                   | 108.47% | -8.47%     |
|                                 |                    |         |            |               |                  |              |                                          |         |            |

#### (a) per sheet C3

(b) Rates per sheet F2; %s based on # customers/connections (sheet C2) and Base Revenue Requirement allocated to class (sheet F3)

|                                 | Existing Fixed/Variable Split (c) |         |            |            | Rate Application |            | Base Revenue Requirement \$ |           |              |
|---------------------------------|-----------------------------------|---------|------------|------------|------------------|------------|-----------------------------|-----------|--------------|
| Customer Class Name             | Rate                              | Fixed % | Variable % | Fixed Rate | Fixed %          | Variable % | Total (d)                   | Fixed (e) | Variable (f) |
| Residential                     | \$16.40                           | 55.18%  | 44.82%     | \$12.87    | 43.29%           | 56.71%     | 378,522                     | 163,861   | 214,661      |
| General Service < 50 kW         | \$37.18                           | 52.35%  | 47.65%     | \$29.50    | 41.53%           | 58.47%     | 121,030                     | 50,268    | 70,762       |
| General Service > 50 to 4999 kW | \$202.42                          | 59.55%  | 40.45%     | \$120.73   | 35.52%           | 64.48%     | 48,945                      | 17,385    | 31,560       |
| Unmetered Scattered Load        | \$22.03                           | 85.55%  | 14.45%     | \$14.75    | 57.28%           | 42.72%     | 1,854                       | 1,062     | 792          |
| Street Lighting                 | \$0.09                            | 3.09%   | 96.91%     | \$1.16     | 40.07%           | 59.93%     | 12,783                      | 5,123     | 7,661        |

(c) %s per Existing Rates, Rate based on Fixed % of Total Base Revenue allocated to class (4) and # (e) Based on Rate Application Fixed Rate and # customers/connections (sheet C2) (d) per sheet F3 (f) Total amount (d) less Fixed amount (e)

|                                 | Transf. All | owance (\$/kW): |              | Gross \$     | Resulting | Variable | Existing      | Base Reve | nue \$    |
|---------------------------------|-------------|-----------------|--------------|--------------|-----------|----------|---------------|-----------|-----------|
| Customer Class Name             | kW          | Rate            | Total \$ (g) | Variable (h) | Rate (i)  | per      | Var. Rate (j) | Fixed (k) | Gross (I) |
| Residential                     |             |                 |              | 214,661      | \$0.0146  | kWh      | \$0.0060      | 163,861   | 378,522   |
| General Service < 50 kW         |             |                 |              | 70,762       | \$0.0150  | kWh      | \$0.0081      | 50,268    | 121,030   |
| General Service > 50 to 4999 kW |             |                 |              | 31,560       | \$2.6412  | kW       | \$0.9881      | 17,385    | 48,945    |
| Unmetered Scattered Load        |             |                 |              | 792          | \$0.0429  | kWh      | \$0.0081      | 1,062     | 1,854     |
| Street Lighting                 |             |                 |              | 7,661        | \$7.9220  | kW       | \$7.1591      | 5,123     | 12,783    |
|                                 |             |                 |              |              |           |          |               |           |           |

(g) kW volume multiplied by Rate

(h) Variable Base Revenue Requirement (f), plus total Transformer Allowances (g)

(i) Gross Variable amount \$ (h), divided by test year volume (sheet C2)

(k) per (e) above

(I) Gross Variable amount (h), plus Fixed Base Revenue (k)

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### **Overview of Fixed to Variable Split**

| 2  | Table 8.2.1 at the previous | s page sho   | ows the pro       | posed mor    | hthly servic  | e charge fo   | or each      |
|----|-----------------------------|--------------|-------------------|--------------|---------------|---------------|--------------|
| 3  | customer class, the result  | ing splits o | f base reve       | enue from f  | ixed and va   | ariable cha   | rges, and    |
| 4  | the ensuing usage rates.    |              |                   |              |               |               |              |
| 5  |                             |              |                   |              |               |               |              |
| 6  | For consistency with the E  | Board's find | lings in oth      | er cost of s | service app   | lications fil | ed in        |
| 7  | previous proceedings, an    | additional   | calculation       | was prepa    | red to show   | w the split   | of base      |
| 8  | revenue from fixed and va   | riable chai  | rges. This o      | calculation  | appears or    | n the secor   | nd page      |
| 9  | of Table 8.2.1.             |              |                   |              |               |               |              |
| 10 |                             |              |                   |              |               |               |              |
| 11 |                             |              |                   |              |               |               |              |
| 12 |                             | <u>Unme</u>  | <u>tered Scat</u> | tered Loa    | <u>d</u>      |               |              |
| 13 |                             |              |                   |              |               |               |              |
| 14 | The fixed to variable split | for Unmete   | ered Scatte       | red was se   | t to minimi   | ze the imp    | act to the   |
| 15 | Monthly Service Charge (    | "MSC"). M    | aintaining        | the existing | g fixed to va | ariable spli  | t would      |
| 16 | have resulted in an increa  | se of appro  | oximately \$      | 10 in the M  | /ISC. Hydr    | o 2000 pro    | poses        |
| 17 | instead a 57% fixed to 439  | % variable   | split.            |              |               |               |              |
| 18 |                             |              |                   |              |               |               |              |
|    |                             | Existing F   | ixed to Vari      | able Split   | Proposed      | Fixed to Va   | riable Split |
|    |                             | Rate         | F                 | V            | Rate          | F             | V            |
|    | Unmetered Scattered Load    | \$22.03      | 85 55%            | 14 45%       | \$14 75       | 57 28%        | 42 72%       |

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### **Street Lights**

The fixed to variable split for Street Lights was set to re-balanced the disproportion in the existing split. 96% of revenues from this particular class are currently being recovered

from the variable rate. Instead, Hydro 2000 proposes a more equitable split of 40% fixed

to 60% variable.

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1

|    |                                                                   | Existing F  | -<br>ixed to Vari | able Split           | Proposed Fixed to Variable Split |               |              |  |  |
|----|-------------------------------------------------------------------|-------------|-------------------|----------------------|----------------------------------|---------------|--------------|--|--|
|    |                                                                   | Rate        | F                 | V                    | Rate                             | F             | V            |  |  |
|    | Street Lights                                                     | \$0.09      | 3.09%             | 96.91%               | \$1.16                           | 40.07%        | 59.93%       |  |  |
| 2  |                                                                   |             |                   |                      |                                  |               |              |  |  |
| 3  | For both the General Serv                                         | /ice< 50 an | nd the Gene       | eral Service         | e > 50 – 4,9                     | 999 kW rate   | e class,     |  |  |
| 4  | maintaining the existing fix                                      | xed/variabl | e split wou       | d result in          | a rate that                      | exceeded      | the          |  |  |
| 5  | above maximum boundary indicated in the CA model.                 |             |                   |                      |                                  |               |              |  |  |
| 6  |                                                                   |             |                   |                      |                                  |               |              |  |  |
| 7  |                                                                   | <u>Ge</u>   | <u>neral Serv</u> | ice < 50             |                                  |               |              |  |  |
| 8  |                                                                   |             |                   |                      |                                  |               |              |  |  |
| 9  | The fixed to variable split                                       | for the Ger | neral Servio      | e <50 clas           | s was set f                      | o recover i   | ates at      |  |  |
| 10 | approximately 40 fixed to                                         | 60 variable | e split. Mai      | ntaining the         | e existing f                     | ixed to vari  | able split   |  |  |
| 11 | would have resulted in an                                         | increase c  | of approxim       | ately \$13 i         | n the MSC                        | . Hydro 20    | 00           |  |  |
| 12 | proposes a 42% fixed to 5                                         | 58% variab  | le split.         |                      |                                  |               |              |  |  |
| 13 |                                                                   |             |                   |                      |                                  |               |              |  |  |
|    |                                                                   | Existing F  | ixed to Vari      | able Split           | Proposed                         | Fixed to Va   | riable Split |  |  |
|    |                                                                   | Rate        | F                 | V                    | Rate                             | F             | V            |  |  |
|    | General Service < 50 kW                                           | \$37.18     | 52.35%            | 47.65%               | \$29.50                          | 41.53%        | 58.47%       |  |  |
| 14 |                                                                   |             |                   |                      |                                  |               |              |  |  |
| 15 |                                                                   | -           |                   |                      | _                                |               |              |  |  |
| 16 |                                                                   | Genera      | al Service        | <u>&gt; 50 – 499</u> | <u>19</u>                        |               |              |  |  |
| 17 |                                                                   |             |                   |                      |                                  |               |              |  |  |
| 18 | For the General Service >                                         | •50-4999, r | naintaining       | the existin          | g fixed/var                      | iable split v | vould        |  |  |
| 19 | result in a fixed rate that e                                     | exceeded th | ne maximui        | m boundar            | y in the CA                      | model. Th     | e            |  |  |
| 20 | maximum boundary from                                             | the CA mo   | del was the       | erefore use          | d for the fi                     | ked charge    | rate.        |  |  |
| 21 |                                                                   |             |                   |                      |                                  |               |              |  |  |
|    | Existing Fixed to Variable Split Proposed Fixed to Variable Split |             |                   |                      |                                  |               |              |  |  |
|    |                                                                   | Rate        | F                 | V                    | Rate                             | F             | V            |  |  |
|    | General Service > 50 kW                                           | \$202.42    | 59.55%            | 40.45%               | \$120.73                         | 35.52%        | 64.48%       |  |  |
| 22 |                                                                   |             |                   |                      |                                  |               |              |  |  |

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#### **Residential**

1 2

3 Hydro 2000 feels that maintaining the existing fixed/variable split for the Residential

4 class would result in an MSC higher than the clients in this particular class can assume.

5 Lowering the fixed component will allow the customers to have some control over their

6 monthly bills as well as encourage clients to reduce their consumption thereby reducing

- 7 their total bill.
- 8

|             | Existing F | ixed to Vari | able Split | Proposed Fixed to Variable Split |        |        |  |  |  |
|-------------|------------|--------------|------------|----------------------------------|--------|--------|--|--|--|
|             | Rate       | F            | V          | Rate                             | F      | V      |  |  |  |
| Residential | \$16.40    | 55.18%       | 44.82%     | \$12.87                          | 43.29% | 56.71% |  |  |  |

9 10

11 The fixed to variable split of the proposed rates presented in the table below were

adjusted to mitigate the bill impact for each rate class. All resulting Monthly Service

13 Charge ("MSC") levels fall within the boundaries produced by the 2010 Cost Allocation

- 14 ("CA") model.
- 15

| Proposed Rates    |          |          |  |  |  |  |  |  |  |
|-------------------|----------|----------|--|--|--|--|--|--|--|
| Customer Class    |          |          |  |  |  |  |  |  |  |
| Name              | Fixed    | Variable |  |  |  |  |  |  |  |
| Residential       | \$12.87  | \$0.0146 |  |  |  |  |  |  |  |
| General Service < |          |          |  |  |  |  |  |  |  |
| 50 kW             | \$29.50  | \$0.0150 |  |  |  |  |  |  |  |
| General Service > |          |          |  |  |  |  |  |  |  |
| 50 to 4999 kW     | \$120.73 | \$2.6412 |  |  |  |  |  |  |  |
| Unmetered         |          |          |  |  |  |  |  |  |  |
| Scattered Load    | \$14.75  | \$0.0429 |  |  |  |  |  |  |  |
| Street Lighting   | \$1.16   | \$7.9220 |  |  |  |  |  |  |  |
|                   |          |          |  |  |  |  |  |  |  |

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### **Table 8.2.2 Reconciliation to Base Revenue Requirement**

Review reconciliations (no input on this sheet)

#### DISTRIBUTION CHARGES

|                                 | Fixed Charge |                     |                      |          | Variable Charge     |                      | Gross Revenue from Distribution Charges |              |            |  |  |
|---------------------------------|--------------|---------------------|----------------------|----------|---------------------|----------------------|-----------------------------------------|--------------|------------|--|--|
| Customer Class Name             | Rate 1       | Volume <sup>2</sup> | Revenue <sup>3</sup> | Rate 1   | Volume <sup>2</sup> | Revenue <sup>3</sup> | Calculated *                            | Allocated ** | Difference |  |  |
| Residential                     | \$12.87      | 12,732              | 163,861              | \$0.0146 | 14,703,667          | 214,674              | 378,534                                 | 378,522      | 13         |  |  |
| General Service < 50 kW         | \$29.50      | 1,704               | 50,268               | \$0.0150 | 4,712,132           | 70,682               | 120,950                                 | 121,030      | -80        |  |  |
| General Service > 50 to 4999 kW | \$120.73     | 144                 | 17,385               | \$2.6412 | 11,949              | 31,560               | 48,945                                  | 48,945       | -0         |  |  |
| Unmetered Scattered Load        | \$14.75      | 72                  | 1,062                | \$0.0429 | 18,486              | 793                  | 1,855                                   | 1,854        | 1          |  |  |
| Street Lighting                 | \$1.16       | 4,416               | 5,123                | \$7.9220 | 967                 | 7,661                | 12,783                                  | 12,783       | -0         |  |  |
|                                 |              |                     |                      |          |                     |                      |                                         |              |            |  |  |
| TOTAL                           |              |                     | 237,699              |          |                     | 325,369              | 563,067                                 | 563,134      | -66        |  |  |

<sup>1</sup> From sheet F5, rounded off to decimals displayed

\* Sum of 'Revenue' columns

<sup>2</sup> Fixed Charge = # Customers (Connections) multiplied by 12 (months); Variable Charge = # kW's or kWh's, as applicable (per sheet C1) <sup>3</sup> Rate x Volume \*\* per sheet F4: Base Revenue -- Gross

#### DEFERRAL/VARIANCE ACCOUNT RECOVERY CHARGES (CREDITS)

|                                 | Varia             | Proceeds from Recovery Charges (Credits) |                       |              |              |            |
|---------------------------------|-------------------|------------------------------------------|-----------------------|--------------|--------------|------------|
| Customer Class Name             | Rate <sup>1</sup> | Volume <sup>2</sup>                      | Proceeds <sup>3</sup> | Calculated * | Allocated ** | Difference |
| Residential                     | (\$0.0048)        | 14,703,667                               | -70,578               | -70,578      | -70,975      | 397        |
| General Service < 50 kW         | (\$0.0048)        | 4,712,132                                | -22,618               | -22,618      | -22,746      | 127        |
| General Service > 50 to 4999 kW | (\$1.8874)        | 11,949                                   | -22,553               | -22,553      | -22,553      | (          |
| Unmetered Scattered Load        | (\$0.0048)        | 18,486                                   | -89                   | -89          | -89          | 1          |
| Street Lighting                 | (\$1.7307)        | 967                                      | -1,674                | -1,674       | -1,674       | -(         |
|                                 |                   |                                          |                       |              |              |            |
| TOTAL                           |                   |                                          | -117,511              | -117,511     | -118,036     | 52         |

<sup>1</sup> From sheet C7 ('Proposed Rate Rider'), rounded off to decimals displayed

<sup>2</sup> Variable Charge = # kW's or kWh's, as applicable (per sheet C1)

\* = 'Proceds' column \*\* From sheet C7 ('Annual Recovery Amounts')

<sup>3</sup> Rate x Volume

### Hydro 2000 (ED-2002-0542)

2012 EDR Application (EB-2011-0326) version: 10 October 10, 2011

### Table 8.2.3 Final Rate Rider and Rate Adder

Enter proposed rates

| Rate Description                                                                   | Short Name | Billing<br>Determinant | Residential | General Service < 50 kW | General Service ><br>50 to 4999 kW | Unmetered<br>Scattered Load | Street Lighting |
|------------------------------------------------------------------------------------|------------|------------------------|-------------|-------------------------|------------------------------------|-----------------------------|-----------------|
| Rate Rider for Global Adjusment Sub-Account (Applicable only to Non-RPP customers) | Global Adj | kWh                    | \$0.0064    | \$0.0064                | \$2.4913                           |                             | \$2.2844        |
| Rate Rider for Deferral/Variance Account Disposition                               | DVA        | kWh                    | (\$0.0048)  | (\$0.0048)              | (\$1.8874)                         | (\$0.0048)                  | (\$1.7307)      |
| Rate Rider for Late Payment Penalty Litigation Costs                               | LPP        | Monthly                |             |                         |                                    |                             |                 |
| Stranded Meters Recovery                                                           | StdMtr     | kWh                    | \$0.0002    | \$0.0002                | \$0.0002                           |                             |                 |
| LRAM                                                                               | LRAM       | kWh                    | \$0.0008    | \$0.0001                | \$0.0527                           |                             |                 |
| LV Charges                                                                         | LV         | kWh                    | \$0.0042    | \$0.0042                | \$1.5507                           | \$0.0042                    | \$1.1988        |
| Smart Meter Rate Adder                                                             | SM         | Monthly                |             |                         |                                    |                             |                 |
|                                                                                    |            |                        |             |                         |                                    |                             |                 |

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 8 Tab 3

Exhibit 8: Rate Design

## Tab 3 (of 4): Transmission, Low Voltage and Line Losses

Hydro 2000 (ED-2002-0542) 2012 EDR Application (EB-2011-0326) version: 10 October 10, 2011

## **C5** Transmission Rates

Enter Uniform Transmission Rates (existing & Test Year)

|                                   |                   | Existing          | Rates      | 2012 Ra  | ntes *     |
|-----------------------------------|-------------------|-------------------|------------|----------|------------|
| Customer Class Name               | Usage Metric      | Network           | Connection | Network  | Connection |
| Residential                       | kWh               | \$0.0057          | \$0.0045   | \$0.0055 | \$0.0042   |
| General Service < 50 kW           | kWh               | \$0.0052          | \$0.0045   | \$0.0050 | \$0.0042   |
| General Service > 50 to 4999 kW   | kW                | \$2.1334          | \$1.7937   | \$2.0559 | \$1.6718   |
| Unmetered Scattered Load          | kWh               | \$0.0052          | \$0.0045   | \$0.0050 | \$0.0042   |
| Street Lighting                   | kW                | \$1.6088          | \$1.3866   | \$1.5504 | \$1.2924   |
| Uniform Transmission Rates (UTRs) | kW                | \$2.6500          | \$2.1400   | \$2.6500 | \$2.1400   |
|                                   | * Rate Adjustment | t Factors:        |            |          |            |
|                                   | Change in UTR     | s, 2012 vs Existi | ng         |          |            |
|                                   | Historical Varian | nce (per sheet)   |            | 3.97%    | 8.60%      |
|                                   | Total Adjustmen   | t                 | 3.97%      | 8.60%    |            |

### Historical Transmission Charges

| Hydro One |                 |         |            |                 |            |          |                 |          |          |    |           |
|-----------|-----------------|---------|------------|-----------------|------------|----------|-----------------|----------|----------|----|-----------|
| 2009      |                 | Network |            | L               | ine Connec | tion     | Lin             | Tota     | al Line  |    |           |
| Month     | Units<br>Billed | Rate    | Amount     | Units<br>Billed | Rate       | Amount   | Units<br>Billed | Rate     | Amount   | An | nount     |
| January   | 6,080           | \$ 2.01 | \$ 12,221  | 6,156           | \$0.50     | \$3,078  | 6,15            | 5 \$1.38 | \$8,495  |    | \$11,573  |
| February  | 7,008           | \$ 2.01 | \$ 14,086  | 7,008           | \$0.50     | \$3,504  | 7,00            | 3 \$1.38 | \$9,671  |    | \$13,175  |
| March     | 5,941           | \$ 2.01 | \$ 11,941  | 5,941           | \$0.50     | \$2,971  | 5,94            | 1 \$1.38 | \$8,199  |    | \$11,169  |
| April     | 5,588           | \$ 2.01 | \$ 11,232  | 5,588           | \$0.50     | \$2,794  | 5,58            | 3 \$1.38 | \$7,711  |    | \$10,505  |
| May       | 4,814           | \$ 2.01 | \$ 9,676   | 4,814           | \$0.50     | \$2,407  | 4,814           | 4 \$1.38 | \$6,643  |    | \$9,050   |
| June      | 2,896           | \$ 2.02 | \$ 5,862   | 4,130           | \$0.50     | \$2,065  | 4,13            | \$1.39   | \$5,741  |    | \$7,806   |
| July      | 3,126           | \$ 2.24 | \$ 7,002   | 3,126           | \$0.60     | \$1,876  | 3,12            | 6 \$1.39 | \$4,345  |    | \$6,221   |
| August    | 2,935           | \$ 2.24 | \$ 6,574   | 2,935           | \$0.60     | \$1,761  | 2,93            | 5 \$1.39 | \$4,080  |    | \$5,841   |
| September | 3,288           | \$ 2.24 | \$ 7,365   | 3,288           | \$0.60     | \$1,973  | 3,28            | 3 \$1.39 | \$4,570  |    | \$6,543   |
| October   | 3,109           | \$ 2.24 | \$ 6,964   | 3,247           | \$0.60     | \$1,948  | 3,24            | 7 \$1.39 | \$4,513  |    | \$6,462   |
| November  | 3,760           | \$ 2.24 | \$ 8,422   | 3,774           | \$0.60     | \$2,264  | 3,774           | \$1.39   | \$5,246  |    | \$7,510   |
| December  | 4,393           | \$ 2.24 | \$ 9,840   | 4,393           | \$0.60     | \$2,636  | 4,393           | 3 \$1.39 | \$6,106  |    | \$8,742   |
|           |                 |         |            |                 |            |          |                 |          |          |    |           |
| Total     | 52,938          | \$ 2.24 | \$ 118,581 | 54,400          | \$0.60     | \$32,640 | 54,40           | \$1.39   | \$75,616 | 9  | \$108,256 |

| Hydro One |                 |        |     |         |        |       |        |           |          |        |           |          |             |
|-----------|-----------------|--------|-----|---------|--------|-------|--------|-----------|----------|--------|-----------|----------|-------------|
| 2010      |                 |        | . 1 | Network |        |       | Li     | ne Connec | tion     | Line   | Transform | nation   | Total Line  |
|           |                 | Units  |     |         |        |       | Units  |           |          | Units  |           |          |             |
| Month     |                 | Billed |     | Rate    | Αποι   | int   | Billed | Rate      | Amount   | Billed | Rate      | Amount   | Amount      |
| January   |                 | 6035   | \$  | 2.24    | \$ 13  | 8,518 | 6,035  | \$6.00    | \$36,210 | 6,035  | \$1.39    | \$8,389  | \$8,389     |
| February  |                 | 6,133  | \$  | 2.24    | \$ 13  | 8,738 | 6,133  | \$0.50    | \$3,067  | 6,133  | \$1.38    | \$8,464  | \$13,175    |
| March     |                 | 5,477  | \$  | 2.24    | \$ 12  | 2,268 | 5,477  | \$0.50    | \$2,739  | 5,477  | \$1.38    | \$7,558  | \$11,169    |
| April     |                 | 4,200  | \$  | 2.24    | \$     | 9,408 | 4,200  | \$0.50    | \$2,100  | 4,200  | \$1.38    | \$5,796  | \$10,505    |
| May       | pro-rate new ra | 3,511  | \$  | 2.28    | \$ 7   | 7,995 | 3,511  | \$0.53    | \$1,871  | 3,511  | \$1.47    | \$5,164  | \$9,050     |
| June      |                 | 3,318  | \$  | 2.65    | \$ 8   | 3,793 | 3,318  | \$0.64    | \$2,124  | 3,373  | \$1.50    | \$5,060  | \$7,792     |
| July      |                 | 3,091  | \$  | 2.65    | \$ 8   | 3,191 | 3,091  | \$0.64    | \$1,978  | 3,091  | \$1.50    | \$4,637  | \$6,221     |
| August    |                 | 3,365  | \$  | 2.65    | \$ 8   | 3,917 | 3,365  | \$0.64    | \$2,154  | 3,365  | \$1.50    | \$5,048  | \$5,841     |
| September |                 | 3,418  | \$  | 2.65    | \$     | 9,058 | 3,418  | \$0.64    | \$2,188  | 3,418  | \$1.50    | \$5,127  | \$6,543     |
| October   |                 | 3,116  | \$  | 2.65    | \$ 8   | 3,257 | 3,116  | \$0.64    | \$1,994  | 3,116  | \$1.50    | \$4,674  | \$6,462     |
| November  |                 | 3,669  | \$  | 2.65    | \$     | 9,723 | 3,669  | \$0.64    | \$2,348  | 3,669  | \$1.50    | \$5,504  | \$7,510     |
| December  |                 | 4,614  | \$  | 2.65    | \$ 12  | 2,227 | 4,614  | \$0.64    | \$2,953  | 4,614  | \$1.50    | \$6,921  | <br>\$8,742 |
|           |                 |        |     |         |        |       |        |           |          |        |           |          |             |
| Total     |                 | 49,947 | \$  | 2.65    | \$ 132 | 2,360 | 49,947 | \$0.64    | \$31,966 | 50,002 | \$1.50    | \$75,003 | \$104,584   |

### Historical Transmission Charges

| Hydro One |     |       |        |      |        |        |           |          |        |           |          |            |
|-----------|-----|-------|--------|------|--------|--------|-----------|----------|--------|-----------|----------|------------|
| 2011      |     |       | Networ | k    |        | Li     | ne Connec | tion     | Line   | Transform | nation   | Total Line |
|           | Un  | its   |        |      |        | Units  |           |          | Units  |           |          |            |
| Month     | Bil | led   | Rate   |      | Amount | Billed | Rate      | Amount   | Billed | Rate      | Amount   | Amount     |
| January   |     | 5536  | \$ 2.6 | 5 \$ | 14,670 | 5,536  | \$0.64    | \$3,543  | 5,536  | \$1.50    | \$8,304  | \$11,847   |
| February  | (   | 6,368 | \$ 2.6 | 5 \$ | 16,875 | 6,368  | \$0.64    | \$4,076  | 6,368  | \$1.50    | \$9,552  | \$13,628   |
| March     |     | 5,306 | \$ 2.6 | 5 \$ | 14,061 | 5,306  | \$0.64    | \$3,396  | 5,306  | \$1.50    | \$7,959  | \$11,355   |
| April     |     | 5,032 | \$ 2.6 | 5 \$ | 13,335 | 5,032  | \$0.64    | \$3,220  | 5,032  | \$1.50    | \$7,548  | \$10,768   |
| May       | :   | 3,940 | \$ 2.6 | 5 \$ | 10,441 | 3,940  | \$0.64    | \$2,522  | 3,940  | \$1.50    | \$5,910  | \$8,432    |
| June      |     | -     | \$ 2.6 | 5 \$ | -      | 0      | \$0.64    | \$0      | 0      | \$1.50    | \$0      | \$0        |
| July      |     | -     | \$ 2.6 | 5 \$ | -      | 0      | \$0.64    | \$0      | 0      | \$1.50    | \$0      | \$0        |
| August    |     | -     | \$ 2.6 | 5 \$ | -      | 0      | \$0.64    | \$0      | 0      | \$1.50    | \$0      | \$0        |
| September |     | -     | \$ 2.6 | 5 \$ | -      | 0      | \$0.64    | \$0      | 0      | \$1.50    | \$0      | \$0        |
| October   |     | -     | \$ 2.6 | 5 \$ | -      | 0      | \$0.64    | \$0      | 0      | \$1.50    | \$0      | \$0        |
| November  |     | -     | \$ 2.6 | 5 \$ | -      | 0      | \$0.64    | \$0      | 0      | \$1.50    | \$0      | \$0        |
| December  |     | -     | \$ 2.6 | 5 \$ | -      | 0      | \$0.64    | \$0      | 0      | \$1.50    | \$0      | \$0        |
|           |     |       |        |      |        |        |           |          |        |           |          |            |
| Total     | 20  | 6,182 | \$ 2.6 | 5 \$ | 69,382 | 26,182 | \$0.64    | \$16,756 | 26,182 | \$1.50    | \$39,273 | \$56,029   |

#### Calculation of proposed RTSRs

#### HYDRO ONE

#### BILLED TO CUSTOMERS

|        | TRANS.  | NET        | NORK | s                                             |        | LIN    | IE CONNECTION |          |                                              |        | TRANS.  | CONNE         | TION                                            |   |        |                    |                    |                  |           |    |              |
|--------|---------|------------|------|-----------------------------------------------|--------|--------|---------------|----------|----------------------------------------------|--------|---------|---------------|-------------------------------------------------|---|--------|--------------------|--------------------|------------------|-----------|----|--------------|
| MONTH  | Volume  | ACTI<br>RA |      | H1<br>CURRENT<br>Network<br>Service<br>Charge | MONTH  | Volume | ACTUAL RATE   |          | H1<br>Line<br>onnection<br>Service<br>Charge | MONTH  | Volume  | ACTUA<br>RATE | H1<br>Line<br>Transmission<br>Service<br>Charge | ı | MONTH  | total tn<br>BILLED | total tc<br>BILLED | Adjustements     | Network   | Co | nnection     |
| May-09 | 4,814   | \$         | 2.65 | \$ 12,757.10                                  | May-09 | 4,814  | \$ 0.64       | \$       | 3,080.96                                     | May-09 | 4,814   | \$ 1.5        | 0 7,221.0                                       | 0 | May-09 | \$ 11,501.43       | \$ 9,316.38        |                  |           |    |              |
| Jun-09 | 2,896   | \$         | 2.65 | \$ 7,674.40                                   | Jun-09 | 2,896  | \$ 0.64       | \$       | 1,853.44                                     | Jun-09 | 2,896   | \$ 1.5        | 0 4,344.0                                       | 0 | Jun-09 | \$ 11,403.61       | \$ 9,452.31        | Supply cost      | \$274,604 |    | \$224,775    |
| Jul-09 | 3,126   | \$         | 2.65 | \$ 8,283.90                                   | Jul-09 | 3,126  | \$ 0.64       | \$       | 2,000.64                                     | Jul-09 | 3,126   | \$ 1.5        | 4,689.0                                         | 0 | Jul-09 | \$ 7,935.07        | \$ 6,523.19        | Billing Revenues | \$291,485 |    | \$236,479    |
| Aug-09 | 2,935   | \$         | 2.65 | \$ 7,777.75                                   | Aug-09 | 2,935  | \$ 0.64       | \$       | 1,878.40                                     | Aug-09 | 2,935   | \$ 1.5        | 4,402.5                                         | 0 | Aug-09 | \$ 8,772.43        | \$ 7,178.87        | Ratio            | 0.942     |    | 0.951        |
| Sep-09 | 3,288   | \$         | 2.65 | \$ 8,713.20                                   | Sep-09 | 3,288  | \$ 0.64       | \$       | 2,104.32                                     | Sep-09 | 3,288   | \$ 1.5        | 4,932.0                                         | 0 | Sep-09 | \$ 8,749.77        | \$ 7,188.05        |                  |           |    |              |
| Oct-09 | 3,109   | \$         | 2.65 | \$ 8,238.85                                   | Oct-09 | 3,109  | \$ 0.64       | \$       | 1,989.76                                     | Oct-09 | 3,109   | \$ 1.5        | 4,663.5                                         | 0 | Oct-09 | \$ 9,567.71        | \$ 7,806.89        |                  |           |    |              |
| Nov-09 | 3,760   | \$         | 2.65 | \$ 9,964.00                                   | Nov-09 | 3,760  | \$ 0.64       | \$       | 2,406.40                                     | Nov-09 | 3,760   | \$ 1.5        | 0 5,640.0                                       | 0 | Nov-09 | \$ 8,842.73        | \$ 7,256.30        | Current Rates    | T.N.      |    | TC           |
| Dec-09 | 4,393   | \$         | 2.65 | \$ 11,641.45                                  | Dec-09 | 4,393  | \$ 0.64       | \$       | 2,811.52                                     | Dec-09 | 4,393   | \$ 1.5        | 6,589.5                                         | 0 | Dec-09 | \$ 12,894.20       | \$ 10,470.31       |                  |           |    |              |
| Jan-10 | 6035    | \$         | 2.65 | \$ 15,992.75                                  | Jan-10 | 6035   | \$ 0.64       | \$       | 3,862.40                                     | Jan-10 | 6035    | \$ 1.5        | 9,052.5                                         | 0 | Jan-10 | \$ 12,741.91       | \$ 10,414.11       | Residential      | \$0.0057  |    | \$0.0045 kWh |
| Feb-10 | 6,133   | \$         | 2.65 | \$ 16,252.45                                  | Feb-10 | 6,133  | \$ 0.64       | \$       | 3,925.12                                     | Feb-10 | 6,133   | \$ 1.5        | 9,199.5                                         | 0 | Feb-10 | \$ 19,631.77       | \$ 15,846.72       | GS < 50kW        | \$0.0052  |    | \$0.0045 kWh |
| Mar-10 | 5,477   | \$         | 2.65 | \$ 14,514.05                                  | Mar-10 | 5,477  | \$ 0.64       | \$       | 3,505.28                                     | Mar-10 | 5,477   | \$ 1.5        | 0 8,215.5                                       | 0 | Mar-10 | \$ 13,167.28       | \$ 10,756.43       | GS 50 to 4999 kW | \$2.1334  |    | \$1.7937 kWh |
| Apr-10 | 4,200   | \$         | 2.65 | \$ 11,130.00                                  | Apr-10 | 4,200  | \$ 0.64       | \$       | 2,688.00                                     | Apr-10 | 4,200   | \$ 1.5        | 6,300.0                                         | 0 | Apr-10 |                    |                    | USL              | \$0.0052  |    | \$0.0045 kWh |
| May-10 | 3,511   | \$         | 2.65 | \$ 9,304.15                                   | May-10 | 3,511  | \$ 0.64       | \$       | 2,247.04                                     | May-10 | 3,511   | \$ 1.5        | 5,266.5                                         | 0 | May-10 |                    |                    | Street Lights    | \$1.6088  |    | \$1.3866 KW  |
| Jun-10 | 3,318   | \$         | 2.65 | \$ 8,792.70                                   | Jun-10 | 3,318  | \$ 0.64       | \$       | 2,123.52                                     | Jun-10 | 3,318   | \$ 1.5        | 0 4,977.0                                       | 0 | Jun-10 | \$ 9,454.41        | \$ 7,364.88        |                  |           |    |              |
| Jul-10 | 3,091   | \$         | 2.65 | \$ 8,191.15                                   | Jul-10 | 3,091  | \$ 0.64       | \$       | 1,978.24                                     | Jul-10 | 3,091   | \$ 1.5        | 4,636.5                                         | 0 | Jul-10 | \$ 8,160.81        | \$ 6,229.71        |                  |           |    |              |
| Aug-10 | 3,365   | \$         | 2.65 | \$ 8,917.25                                   | Aug-10 | 3,365  | \$ 0.64       | \$       | 2,153.60                                     | Aug-10 | 3,365   | \$ 1.5        | 0 5,047.5                                       | 0 | Aug-10 | \$ 9,592.27        | \$ 7,750.69        |                  |           |    |              |
| Sep-10 | 3,418   | \$         | 2.65 | \$ 9,057.70                                   | Sep-10 | 3,418  | \$ 0.64       | \$       | 2,187.52                                     | Sep-10 | 3,418   | \$ 1.5        | 5,127.0                                         | 0 | Sep-10 | \$ 8,513.75        | \$ 6,950.13        |                  |           |    |              |
| Oct-10 | 3,116   | \$         | 2.65 | \$ 8,257.40                                   | Oct-10 | 3,116  | \$ 0.64       | \$       | 1,994.24                                     | Oct-10 | 3,116   | \$ 1.5        | 0 4,674.0                                       | 0 | Oct-10 |                    |                    |                  | TN        |    | тс           |
| Nov-10 | 3,669   | \$         | 2.65 | \$ 9,722.85                                   | Nov-10 | 3,669  | \$ 0.64       | \$       | 2,348.16                                     | Nov-10 | 3,669   |               | 5,503.5                                         | 0 | Nov-10 |                    |                    | Residential      | \$ 0.0054 | \$ | 0.0043 kWh   |
| Dec-10 | 4,614   | \$         | 2.65 | \$ 12,227.10                                  | Dec-10 | 4,614  | \$ 0.64       | \$       | 2,952.96                                     | Dec-10 | 4,614   |               | 0 6,921.0                                       | 0 | Dec-10 |                    |                    | GS < 50kW        | \$ 0.0049 | \$ | 0.0043 kWh   |
| Jan-11 | 6035    | \$         | 2.65 | \$ 15,992.75                                  | Jan-11 | 6035   | \$ 0.64       | \$       | 3,862.40                                     | Jan-11 | 6035    |               | 9,052.5                                         | 0 | Jan-11 | \$ 19,045.06       | \$ 15,378.81       | GS 50 to 4999 kW | \$ 2.0098 | \$ | 1.7049 kWh   |
| Feb-11 | 6,133   |            | 2.65 | \$ 16,252.45                                  | Feb-11 | 6,133  | \$ 0.64       |          | 3,925.12                                     | Feb-11 | 6,133   |               |                                                 |   | Feb-11 | \$ 17,286.85       | \$ 14,004.68       | USL              | \$ 0.0049 | \$ | 0.0043 kWh   |
| Mar-11 | 5,477   |            | 2.65 | \$ 14,514.05                                  | Mar-11 | 5,477  | \$ 0.64       |          | 3,505.28                                     | Mar-11 | 5,477   | \$ 1.5        |                                                 | - | Mar-11 | ,                  |                    | Street Lights    | \$ 1.5156 | \$ | 1.3180 KW    |
| Apr-11 | 4,200   |            | 2.65 | \$ 11,130.00                                  | Apr-11 | 4,200  | \$ 0.64       | <u> </u> | 2,688.00                                     | Apr-11 | 4,200   | \$ 1.5        |                                                 | - | Apr-11 |                    |                    |                  |           |    |              |
| May-11 | 3,511   | \$         | 2.65 | \$ 9,304.15                                   | May-11 | 3,511  | \$ 1.50       |          | 5,266.50                                     | May-11 | 3,511   | \$ 1.5        |                                                 |   | May-11 |                    | \$ 8,888.59        |                  |           |    |              |
|        | 103,624 |            |      | \$ 274,603.60                                 |        |        |               | \$       | 69,338.82                                    |        | 103,624 |               | \$ 155,436.0                                    | 0 |        | \$ 291,484.87      | \$ 236,478.87      |                  |           |    |              |

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### **Overview of RTSR**

| 1  | Overview of RISR                                                                                     |
|----|------------------------------------------------------------------------------------------------------|
| 2  |                                                                                                      |
| 3  | Board policy states that distributors should file the following material in a cost of service        |
| 4  | rate application in support of a change to RTSRs:                                                    |
| 5  | • A variance analysis using 2 years of actual data examining what, if any, trend is                  |
| 6  | apparent in the monthly balances in the RTSR deferral accounts                                       |
| 7  | • A calculation of the proposed RTSR rates that includes the adjustment of the UTRs                  |
| 8  | effective January 11,2011 and an adjustment to eliminate ongoing trends in the                       |
| 9  | balances in the RTSR deferral accounts <sup>1</sup>                                                  |
| 10 | Table 8.3.1 shows the utility's proposed 2012 RTSR. Table 8.3.2 shows the trend for the              |
| 11 | past two years of transmission revenues and costs, adjusted for consistency with both                |
| 12 | retail and supply rates that were in effect in August 2011. The trend indicates that these           |
| 13 | rates were resulting in over-collection of transmission charges for both Network Service             |
| 14 | and Connection Service. This conclusion is consistent with the accumulation of credit                |
| 15 | balances in variance accounts 1584-RSVA/NW and 1586-RSVA/CN during this two-year                     |
| 16 | period. <sup>2</sup> Hydro 2000 therefore proposes to adjust its RTSRs to offset the over-collection |
| 17 | bias in its existing retail rates.                                                                   |
| 18 |                                                                                                      |
| 19 | As an embedded distributor, Hydro 2000 pays Hydro One Networks Inc. ("HONI") retail                  |

- 20 transmission service rates for the supply of transmission services, rather than the
- Uniform Transmission Rates ("UTRs") paid by market participants. The supply rate 21
- changes at the bottom of Attachment 1 reflect the changes in the effective blended rate 22

<sup>&</sup>lt;sup>1</sup> <u>Guideline G-2008-0001: Electricity Distribution Retail Transmission Rates</u>, Revision 1.0 (July 22, 2009), pages 4-5 <sup>2</sup> see Exhibit 9, Tab 1, Schedule 2, Attachment 1

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- 1 for the two sources of supply for Network Service, and the changes to HONI's rate for
- 2 Connection Service.
- 3
- 4 Hydro 2000 also proposes to apply an adjustment for changes in the applicable HONI
- 5 rates which came into effect May 1, 2011.
- 6
- 7 Table 8.3.3 shows the effect of the adjustments to Hydro 2000's RTSRs. As a result,
- 8 Hydro 2000 proposes to decrease both its RTSRs for Network Service as well as its
- 9 Connection Service. These proposed rate changes are reflected in Hydro 2000's
- 10 projected power supply expense for 2012, shown in Exhibit 3, Tab 1, Schedule 3,
- 11 Attachment 1.
- 12
- 13

### Hydro 2000 (ED-2002-0542) 2012 EDR Application (EB-2011-0326) version: 10 October 10, 2011

### Table 8.3.4 Low Voltage Charges

Rates from sheet C5; Volumes from sheet C1

Enter current LV rates and total charges projected in 2012

|                                 | 2011 Low Voltage Rates |     |  |  |  |  |  |  |
|---------------------------------|------------------------|-----|--|--|--|--|--|--|
| Customer Class Name             | Rate                   | per |  |  |  |  |  |  |
| Residential                     | \$0.0055               | kWh |  |  |  |  |  |  |
| General Service < 50 kW         | \$0.0051               | kWh |  |  |  |  |  |  |
| General Service > 50 to 4999 kW | \$1.9755               | kW  |  |  |  |  |  |  |
| Unmetered Scattered Load        | \$0.0050               | kWh |  |  |  |  |  |  |
| Street Lighting                 | \$1.5279               | kW  |  |  |  |  |  |  |

|                                 | 2012 PROJECTED TRANSMISSION-CONNECTION REVENUE |     |                     |         |         |  |  |
|---------------------------------|------------------------------------------------|-----|---------------------|---------|---------|--|--|
| Customer Class Name             | Rate                                           | per | Volume <sup>1</sup> | Revenue | %       |  |  |
| Residential                     | \$0.0042                                       | kWh | 15,679,990          | 65,856  | 60.83%  |  |  |
| General Service < 50 kW         | \$0.0042                                       | kWh | 5,025,018           | 21,105  | 19.49%  |  |  |
| General Service > 50 to 4999 kW | \$1.6718                                       | kW  | 11,949              | 19,976  | 18.45%  |  |  |
| Unmetered Scattered Load        | \$0.0042                                       | kWh | 19,713              | 83      | 0.08%   |  |  |
| Street Lighting                 | \$1.2924                                       | kW  | 967                 | 1,250   | 1.15%   |  |  |
| TOTAL                           |                                                |     |                     | 108,270 | 100.00% |  |  |

|                                 | 2012 PROPOSED | ES      |                     |          |     |
|---------------------------------|---------------|---------|---------------------|----------|-----|
| Customer Class Name             | % Allocation  | Charges | Volume <sup>2</sup> | Rate     | per |
| Residential                     | 60.83%        | 61,087  | 14,703,667          | \$0.0042 | kWh |
| General Service < 50 kW         | 19.49%        | 19,577  | 4,712,132           | \$0.0042 | kWh |
| General Service > 50 to 4999 kW | 18.45%        | 18,530  | 11,949              | \$1.5507 | kW  |
| Unmetered Scattered Load        | 0.08%         | 77      | 18,486              | \$0.0042 | kWh |
| Street Lighting                 | 1.15%         | 1,159   | 967                 | \$1.1988 | kW  |
| TOTAL                           |               | 100,429 |                     |          |     |

<sup>1</sup> kWh's uplifted for line losses

<sup>2</sup> kWh's not uplifted for line losses

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### **Overview of Low Voltage**

| 3  | service.                                                                                         |
|----|--------------------------------------------------------------------------------------------------|
| 4  |                                                                                                  |
| 5  | The 2010 estimate of total LV charges was allocated to customer classes, according to            |
| 6  | each class' share of projected Transmission-Connection revenue, in accordance with               |
| 7  | Board policy. <sup>1</sup> The resulting allocated LV charges for each class were divided by the |
| 8  | applicable 2012 volumes from the load forecast, as presented in Exhibit 3, Tab 1,                |
| 9  | Schedule 1, Attachment 1.                                                                        |
| 10 |                                                                                                  |
| 11 | Current LV revenues are recovered through a separate rate adder and therefore are not            |
| 12 | embedded within the approved Distribution Volumetric rate. 2012 LV rates appear on a             |
|    |                                                                                                  |

Table 8.3.4 presents the derivation of proposed retail rates for Low Voltage ("LV")

- distinct line item on the proposed schedule of rates (Exhibit 8, Tab 4, Schedule 4, 13
- Attachment 1). 14
- 15

1

- 16
- 17

<sup>&</sup>lt;sup>1</sup> Ontario Energy Board, <u>2006 Electricity Distribution Rate Handbook</u>, May 11, 2005, Section 10.7 (page 96)

## C1 Line Loss Factors

### Enter historical kWh's and Supply Facility Loss Factors

|    |                                                                                | 2006<br>Actual | 2007<br>Actual | 2008<br>Actual | 2009<br>Actual | 2010<br>Actual |
|----|--------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|
| A1 | "Wholesale" kWh delivered to distributor (higher value)                        | 26,290,207     | 27,134,454     | 26,547,550     | 27,028,414     | 25,607,753     |
| A2 | "Wholesale" kWh delivered to distributor (lower value)                         | 25,425,732     | 26,242,219     | 25,674,613     | 25,946,819     | 24,520,511     |
| В  | Portion of "Wholesale" kWh delivered to distributor for Large User Customer(s) |                |                |                |                |                |
| С  | Net "Wholesale" kWh delivered to distributor (A2)-(B)                          | 25,425,732     | 26,242,219     | 25,674,613     | 25,946,819     | 24,520,511     |
| D  | "Retail" kWh delivered by distributor                                          | 24,498,618     | 25,385,685     | 24,868,217     | 25,181,332     | 23,274,641     |
| Е  | Portion of "Retail' kWh delivered by distributor for Large Use<br>Customer(s)  |                |                |                |                |                |
| F  | Net "Retail" kWh delivered by distributor (D)-(E)                              | 24,498,618     | 25,385,685     | 24,868,217     | 25,181,332     | 23,274,641     |
| G  | Loss Factor in distributor's system [C/F]                                      | 1.0378         | 1.0337         | 1.0324         | 1.0304         | 1.0535         |
| н  | Supply Facility Loss Factor                                                    | 1.0340         | 1.0340         | 1.0340         | 1.0443         | 1.0443         |
| Ι  | Total Loss Factor [(G)x(H)]                                                    | 1.0731         | 1.0689         | 1.0675         | 1.0760         | 1.1002         |

| Average Total Loss Factor:   | 1.0772 |
|------------------------------|--------|
| Primary Metering Adjustment: | 0.99   |
| Primary Total Loss Factor:   | 1.0664 |

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### **Derviation of Loss Factor**

Table 8.3.5 shows the calculation of Hydro 2000's proposed Total Loss Factor, based on
the historical average of the last five years.

4

5 Hydro 2000 proposes a Total Loss Factor ("TLF") 1.0772, using the historical average of

6 the last five years as presented at Table 8.3.5. The proposed TLF represents an

7 increase from Hydro 2000's currently approved TLF of 1.0660.

#### 8 Distribution System

9 Hydro 2000 is an embedded distributor with Hydro One Networks Inc. ("HONI") as its 10 host distributor. Hydro 2000's main service area, Alfred and Plantagenet are non-11 contiguous. Both Plantagenet and Alfred are fed from the 44kV HONI owned Utility Substation located outside of the boundaries of Hydro 2000's service area. In the case 12 13 of Alfred, the substation is located approximately one kilometer south of the town of 14 Alfred. From this 44kV substation, three outgoing feeder lines run along St-Joseph Street and to power both Hydro One rural and Hydro 2000. Feeder 1 supports 15 exclusively Hydro One customers, while Feeder 2 is shared between Hydro One rural 16 and Hydro 2000, as indicated in the table 1 below. Loading for feeder 1 and Hydro 17 One's portion of feeder 2 extends north of Alfred's service area on County Rd. #15. 18 19 20 Wholesale consumption delivered to Hydro 2000 is measured at the 44kV station which 21 includes shared feeders running along 1 km of shared HONI lines. Hydro 2000

- 22 maintains, as it did in its 2008 cost of service application, that the main driver
- contributing to the increase in line loss stems from HONI's distribution system.

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 8 Tab 4

Exhibit 8: Rate Design

# Tab 4 (of 4): Rate Schedules and Bill Impacts

### Table 8.4.1 Reconciliation to Base Revenue Requirement

Review reconciliations (no input on this sheet)

#### DISTRIBUTION CHARGES

|                                 |          | Fixed Charge        |                      |          | Variable Charge     |                      | Gross Revenue from Distribution Charges |              |            |  |
|---------------------------------|----------|---------------------|----------------------|----------|---------------------|----------------------|-----------------------------------------|--------------|------------|--|
| Customer Class Name             | Rate 1   | Volume <sup>2</sup> | Revenue <sup>3</sup> | Rate 1   | Volume <sup>2</sup> | Revenue <sup>3</sup> | Calculated *                            | Allocated ** | Difference |  |
| Residential                     | \$12.87  | 12,732              | 163,861              | \$0.0146 | 14,703,667          | 214,674              | 378,534                                 | 378,522      | 13         |  |
| General Service < 50 kW         | \$29.50  | 1,704               | 50,268               | \$0.0150 | 4,712,132           | 70,682               | 120,950                                 | 121,030      | -80        |  |
| General Service > 50 to 4999 kW | \$120.73 | 144                 | 17,385               | \$2.6412 | 11,949              | 31,560               | 48,945                                  | 48,945       | -0         |  |
| Unmetered Scattered Load        | \$14.75  | 72                  | 1,062                | \$0.0429 | 18,486              | 793                  | 1,855                                   | 1,854        | 1          |  |
| Street Lighting                 | \$1.16   | 4,416               | 5,123                | \$7.9220 | 967                 | 7,661                | 12,783                                  | 12,783       | -0         |  |
|                                 |          |                     |                      |          |                     |                      |                                         |              |            |  |
| TOTAL                           |          |                     | 237,699              |          |                     | 325,369              | 563,067                                 | 563,134      | -66        |  |

<sup>1</sup> From sheet F5, rounded off to decimals displayed

\* Sum of 'Revenue' columns

<sup>2</sup> Fixed Charge = # Customers (Connections) multiplied by 12 (months); Variable Charge = # kW's or kWh's, as applicable (per sheet C1) <sup>3</sup> Rate x Volume \*\* per sheet F4: Base Revenue -- Gross

#### DEFERRAL/VARIANCE ACCOUNT RECOVERY CHARGES (CREDITS)

|                                 | Varia             | Proceeds from Recovery Charges (Credits) |                       |              |              |            |
|---------------------------------|-------------------|------------------------------------------|-----------------------|--------------|--------------|------------|
| Customer Class Name             | Rate <sup>1</sup> | Volume <sup>2</sup>                      | Proceeds <sup>3</sup> | Calculated * | Allocated ** | Difference |
| Residential                     | (\$0.0048)        | 14,703,667                               | -70,578               | -70,578      | -70,975      | 397        |
| General Service < 50 kW         | (\$0.0048)        | 4,712,132                                | -22,618               | -22,618      | -22,746      | 127        |
| General Service > 50 to 4999 kW | (\$1.8874)        | 11,949                                   | -22,553               | -22,553      | -22,553      | (          |
| Unmetered Scattered Load        | (\$0.0048)        | 18,486                                   | -89                   | -89          | -89          | 1          |
| Street Lighting                 | (\$1.7307)        | 967                                      | -1,674                | -1,674       | -1,674       | -(         |
|                                 |                   |                                          |                       |              |              |            |
| TOTAL                           |                   |                                          | -117,511              | -117,511     | -118,036     | 52         |

<sup>1</sup> From sheet C7 ('Proposed Rate Rider'), rounded off to decimals displayed

<sup>2</sup> Variable Charge = # kW's or kWh's, as applicable (per sheet C1)

\* = 'Proceds' column \*\* From sheet C7 ('Annual Recovery Amounts')

<sup>3</sup> Rate x Volume

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### 1 Base Revenue Calculations and Reconciliation

- 2 Table 8.4.1 shows that the sum of revenues allocated to each class corresponds to the
- 3 total revenue required for the base revenue requirement. The Attachment also shows
- 4 that the revenues calculated for each customer class correspond to the allocated
- 5 amount, with any differences due to rounding.
- 6
- 7

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 8 Tab 4 Schedule 2 Page 1 of 3

## **Rate Changes and Bill Impacts**

1 2

3 Attachment 1 presented at the next schedule are the proposed rates to appear on the

4 draft rate order. For each customer class, the following rates appear:

5

#### **Table 1: Customer Class Rates**

| Service Charge                      | Includes the fixed monthly service charge in base revenue |
|-------------------------------------|-----------------------------------------------------------|
|                                     | (Exhibit 8, Tab 2, Schedule 1)                            |
| <b>Distribution Volumetric Rate</b> | The variable charge rate (Exhibit 8, Tab 2, Schedule 1)   |
| Low Voltage Service Rate            | see Exhibit 8, Tab 3, Schedule 4, Attachment 1            |
| Deferral Account Rate Rider         | see Exhibit 9, Tab 2, Schedule 2, Attachment 2            |
| Global Adjustment Rate              | see Exhibit 9, Tab 2, Schedule 2, Attachment 1            |
| Rider                               |                                                           |
| Stranded Smart Meter                | see Exhibit 2, Tab 3, Schedule 5                          |
| LRAM                                | see Exhibit 9, Tab 3, Schedule 3, Attachment 2            |
| <b>Transmission- Connection</b>     | see Exhibit 8, Tab 3, Schedule 3, Attachment 1            |
| Transmission- Network               | see Exhibit 8, Tab 3, Schedule 3, Attachment 1            |
| Wholesale Market Service            | no change proposed                                        |
| Rural Rate Protection               | no change proposed                                        |
| Charge                              |                                                           |
| Standard Supply Service             | no change proposed                                        |

6

7

8 In addition to the existing customer classes, a new class has been added for microFIT

9 Generator Service, in accordance with the Board's related rate order.<sup>1</sup>

10

11 Hydro 2000 proposes to retain the same Specific Service Charges, with no rate 12 changes.

13

14 The Total Loss Factors are presented in Exhibit 8, Tab 3, Schedule 5, Attachment 1.

15

16 Attachment 2 presents detailed sample bill impacts, comparing monthly customer bills

17 under the existing (2011) rates to the proposed (2012) rates. The first page summarizes

18 the bill impacts, while the following pages show the line item details for each sample bill.

<sup>&</sup>lt;sup>1</sup> <u>Rate Order: Distribution Rate for Embedded Generators having a nameplate capacity of 10 kW</u> <u>or less</u> (EB-2009-0326), March 17, 2010

1

2 The same charge rates shown in Table 1 above also appear in each sample bill, with the3 following provisos:

- The Global Adjustment Rate Rider, apply solely to non-RPP, non-MUSH customers,<sup>2</sup>
  is only reflected in the GS>50-4999 class.
- An uplift factor for line losses applies to commodity and certain delivery charges,
  where the billing determinant is consumption (kWh's).
- 8 The following additional line items appear in the sample bills:

A commodity charge, which is based on the approved rates for RPP customers,<sup>3</sup> or using the weighted average forecast electricity price for other customers.<sup>4</sup> To isolate the impact of delivery rate changes, the same commodity charge levels are used in comparing sample bills under existing and proposed rates.

Total bill impacts vary by customer class, ranging from a increase of 27% for Unmetered Scattered Load, to a slight increase of 3.9% for GS<50 and Street Lighting. While base distribution rates would generally increase to address the revenue deficiency, these increases would be offset by credit rate riders to dispose of the significant balances owed to ratepayers that have accumulated in certain variance accounts. Decreases in rates for retail transmission service, also contribute to offset the increase in base distribution rates.

20

Under these proposed rates, the only customer class that would face a total bill increasein excess of 10% is the Unmetered Scattered Load.

<sup>&</sup>lt;sup>2</sup> RPP: Regulated Price Plan; MUSH: Municipalities, Universities, Schools & Hospitals

 $<sup>^3</sup>$  Regulated Price Plan Report – Price Report, April 19, 2011, page iii, values RPCMT\_1 and RPCMT\_2

<sup>&</sup>lt;sup>4</sup> see Exhibit 3, Tab 1, Schedule 3

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Revenues for the USL class account for 0.33% of the utility's revenues. Total Revenues from the USL are increasing from \$1,036 to \$1,855 to be recovered from a total of 6 customers/connections. For this reason, the bill impact may appear exaggerated. In these circumstances, Hydro 2000 does not feel it necessary to propose any further measures to mitigate customer bill impacts.

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## X91 Monthly Rates and Charges

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                            | Effective<br>May 1/12                                                                                       |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
| Residential                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                            |                                                                                                             |
| Service Charge<br>Distribution Volumetric Rate                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | \$<br>\$/kWh                                                                                               | 12.87<br>0.0146                                                                                             |
| Rate Rider for Global Adjusment Sub-Account (Applicable only to Non-RPP customers)<br>Rate Rider for Deferral/Variance Account Disposition<br>Rate Rider for Late Payment Penalty Litigation Costs<br>Stranded Meters Recovery<br>LRAM<br>LV Charges<br>Smart Meter Rate Adder<br>Retail Transmission Rate – Network Service Rate<br>Retail Transmission Rate – Line and Transformation Connection Service Rate<br>Wholesale Market Service Rate<br>Rural Rate Protection Charge<br>Low Voltage Service Rate<br>Standard Supply Service – Administrative Charge (if applicable) | \$/kWh<br>\$/kWh<br>\$/kWh<br>\$/kWh<br>\$/kWh<br>\$/kWh<br>\$/kWh<br>\$/kWh<br>\$/kWh<br>\$/kWh<br>\$/kWh | 0.00637<br>(0.0048)<br>0.0002<br>0.0008<br>0.0042<br>0.0054<br>0.0043<br>0.0052<br>0.0013<br>0.0042<br>0.25 |
| General Service < 50 kW                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                            |                                                                                                             |
| Service Charge<br>Distribution Volumetric Rate                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | \$<br>\$/kWh                                                                                               | 29.50<br>0.0150                                                                                             |
| Rate Rider for Global Adjusment Sub-Account (Applicable only to Non-RPP customers)<br>Rate Rider for Deferral/Variance Account Disposition<br>Rate Rider for Late Payment Penalty Litigation Costs<br>Stranded Meters Recovery<br>LRAM<br>LV Charges<br>Smart Meter Rate Adder<br>Retail Transmission Rate – Network Service Rate<br>Retail Transmission Rate – Line and Transformation Connection Service Rate<br>Wholesale Market Service Rate<br>Rural Rate Protection Charge<br>Low Voltage Service Rate<br>Standard Supply Service – Administrative Charge (if applicable) | \$/kWh<br>\$/kWh<br>\$/kWh<br>\$/kWh<br>\$/kWh<br>\$/kWh<br>\$/kWh<br>\$/kWh<br>\$/kWh<br>\$/kWh<br>\$/kWh | 0.00637<br>(0.0048)<br>0.0002<br>0.0001<br>0.0042<br>0.0049<br>0.0043<br>0.0052<br>0.0013<br>0.0042<br>0.25 |
| General Service > 50 to 4999 kW                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                            |                                                                                                             |
| Service Charge<br>Distribution Volumetric Rate                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | \$<br>\$/kW                                                                                                | 120.73<br>2.6412                                                                                            |
| Rate Rider for Global Adjusment Sub-Account (Applicable only to Non-RPP customers)<br>Rate Rider for Deferral/Variance Account Disposition<br>Rate Rider for Late Payment Penalty Litigation Costs<br>Stranded Meters Recovery<br>LRAM<br>LV Charges<br>Smart Meter Rate Adder                                                                                                                                                                                                                                                                                                  | \$/kW<br>\$/kW<br>\$/kW<br>\$/kW<br>\$/kW<br>\$/kW                                                         | 2.4913<br>(1.8874)<br>0.0002<br>0.0527<br>1.5507                                                            |

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# X91 Monthly Rates and Charges

| Retail Transmission Rate – Network Service Rate<br>Retail Transmission Rate – Line and Transformation Connection Service Rate<br>Wholesale Market Service Rate<br>Rural Rate Protection Charge<br>Low Voltage Service Rate<br>Standard Supply Service – Administrative Charge (if applicable)<br><b>Unmetered Scattered Load</b> | \$/kW<br>\$/kW<br>\$/kWh<br>\$/kWh<br>\$/kW<br>\$ | Effective<br>May 1/12<br>2.0098<br>1.7049<br>0.0052<br>0.0013<br>1.5507<br>0.25 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|---------------------------------------------------------------------------------|
| Service Charge (per connection)                                                                                                                                                                                                                                                                                                  | \$                                                | 14.75                                                                           |
| Distribution Volumetric Rate                                                                                                                                                                                                                                                                                                     | ູ<br>\$/kWh                                       | 0.0429                                                                          |
| Rate Rider for Global Adjusment Sub-Account (Applicable only to Non-RPP customers)<br>Rate Rider for Deferral/Variance Account Disposition<br>Rate Rider for Late Payment Penalty Litigation Costs<br>Stranded Meters Recovery<br>LRAM                                                                                           | \$/kWh<br>\$/kWh<br>\$/kWh<br>\$/kWh<br>\$/kWh    | (0.0048)                                                                        |
| LV Charges<br>Smart Meter Rate Adder                                                                                                                                                                                                                                                                                             | \$/kWh<br>\$/kWh                                  | 0.0042                                                                          |
| Retail Transmission Rate – Network Service Rate<br>Retail Transmission Rate – Line and Transformation Connection Service Rate                                                                                                                                                                                                    | \$/kWh<br>\$/kWh                                  | 0.0049<br>0.0043                                                                |
| Wholesale Market Service Rate                                                                                                                                                                                                                                                                                                    | ₅/kwn<br>\$/kWh                                   | 0.0043                                                                          |
| Rural Rate Protection Charge                                                                                                                                                                                                                                                                                                     | \$/kWh                                            | 0.0013                                                                          |
| Low Voltage Service Rate<br>Standard Supply Service – Administrative Charge (if applicable)                                                                                                                                                                                                                                      | \$/kWh<br>\$                                      | 0.0042<br>0.25                                                                  |
| Street Lighting                                                                                                                                                                                                                                                                                                                  |                                                   |                                                                                 |
| Service Charge (per connection)<br>Distribution Volumetric Rate                                                                                                                                                                                                                                                                  | \$<br>\$/kW                                       | 1.16<br>7.9220                                                                  |
| Rate Rider for Global Adjusment Sub-Account (Applicable only to Non-RPP customers)<br>Rate Rider for Deferral/Variance Account Disposition<br>Rate Rider for Late Payment Penalty Litigation Costs<br>Stranded Meters Recovery<br>LRAM                                                                                           | \$/kW<br>\$/kW<br>\$/kW<br>\$/kW<br>\$/kW         | 2.28<br>(1.7307)                                                                |
| LV Charges<br>Smart Meter Rate Adder                                                                                                                                                                                                                                                                                             | \$/kW<br>\$/kW                                    | 1.1988                                                                          |
| Retail Transmission Rate – Network Service Rate                                                                                                                                                                                                                                                                                  | \$/kW                                             | 1.5156                                                                          |
| Retail Transmission Rate – Line and Transformation Connection Service Rate<br>Wholesale Market Service Rate                                                                                                                                                                                                                      | \$/kW<br>\$/kWh                                   | 1.3180<br>0.0052                                                                |
| Rural Rate Protection Charge                                                                                                                                                                                                                                                                                                     | \$/kWh                                            | 0.0052                                                                          |
| Low Voltage Service Rate                                                                                                                                                                                                                                                                                                         | \$/kW                                             | 1.1988                                                                          |
| Standard Supply Service – Administrative Charge (if applicable) microFIT Generator Service                                                                                                                                                                                                                                       | \$                                                | 0.25                                                                            |
|                                                                                                                                                                                                                                                                                                                                  | ¢                                                 | 5.05                                                                            |
| Service Charge                                                                                                                                                                                                                                                                                                                   | \$                                                | 5.25                                                                            |
| Specific Service Charges                                                                                                                                                                                                                                                                                                         |                                                   |                                                                                 |
| Arrears Certificate                                                                                                                                                                                                                                                                                                              | \$                                                | 15.00                                                                           |
| Statement of Account Pulling post-dated cheques                                                                                                                                                                                                                                                                                  | \$<br>\$                                          | 15.00<br>9.00                                                                   |
| Duplicate invoices for previous billing                                                                                                                                                                                                                                                                                          | \$<br>\$                                          | 15.00                                                                           |
| Request for other billing information                                                                                                                                                                                                                                                                                            | \$                                                | 15.00                                                                           |

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# X91 Monthly Rates and Charges

| Easement Letter<br>Income tax letter<br>Notification Charge<br>Account history<br>Credit reference/credit check (plus credit agency costs)<br>Returned Cheque charge (plus bank charges)<br>Charge to certify cheque<br>Legal letter charge<br>Account set up charge / change of occupancy charge<br>Special Meter reads<br>Meter dispute charge plus Measurement Canada fees (if meter found correct)<br>Late Payment - per month<br>Disconnect/Reconnect at meter – during regular hours<br>Disconnect/Reconnect at meter – after regular hours<br>Disconnect/Reconnect at pole – during regular hours | \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ | Effective<br>May 1/12<br>15.00<br>15.00<br>15.00<br>25.00<br>15.00<br>15.00<br>15.00<br>15.00<br>15.00<br>30.00<br>30.00<br>1.50<br>25.00<br>50.00<br>185.00 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | \$<br>\$                                                    |                                                                                                                                                              |
| Disconnect/Reconnect at pole – after regular hours<br>Install / remove load control device – during regular hours<br>Install / remove load control device – after regular hours<br>Service call – customer-owned equipment                                                                                                                                                                                                                                                                                                                                                                               | \$<br>\$<br>\$<br>\$                                        | 415.00<br>25.00<br>50.00<br>30.00                                                                                                                            |
| Service call – after regular hours<br>Temporary service install and remove – overhead – no transformer<br>Temporary service install and remove – underground – no transformer<br>Temporary service install and remove – overhead – with transformer                                                                                                                                                                                                                                                                                                                                                      | \$ \$ \$ \$ \$ \$                                           | 165.00<br>500.00<br>300.00<br>1,000.00                                                                                                                       |
| Specific Charge for Access to the Power Poles – per pole/year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | \$                                                          | 22.35                                                                                                                                                        |
| Transformer Allowance for Ownership - per kW of billing demand/month<br>Primary Metering Allowance for transformer losses – applied to measured demand and                                                                                                                                                                                                                                                                                                                                                                                                                                               | \$/kW                                                       |                                                                                                                                                              |
| energy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | %                                                           |                                                                                                                                                              |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                             | 1 0770                                                                                                                                                       |
| Secondary Metered Customer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                             | 1.0772                                                                                                                                                       |

#### Hydro 2000 (ED-2002-0542)

2012 EDR Application (EB-2011-0326) version: 10 October 10, 2011

## H4 Bill Impact Summary

#### Enter sample volumes and RPP status

|                                 | Volur  | ne  | RPP        | Distribution | n Charges | Delivery ( | Charges  | Total     | Bill     |
|---------------------------------|--------|-----|------------|--------------|-----------|------------|----------|-----------|----------|
| Customer Class Name             | kWh    | kW  | Rate Class | \$ change    | % change  | \$ change  | % change | \$ change | % change |
| Residential                     | 800    |     | Summer     | \$6.60       | 36.2%     | \$6.22     | 23.1%    | \$7.86    | 7.2%     |
|                                 |        |     |            | \$0.00       |           | \$0.00     |          |           |          |
|                                 |        |     |            |              |           |            |          |           |          |
|                                 |        |     |            |              |           |            |          |           |          |
|                                 |        |     |            | -            |           |            |          |           |          |
|                                 |        |     |            |              |           |            |          |           |          |
|                                 |        |     |            |              |           |            |          |           |          |
| General Service < 50 kW         | 2,000  |     | Non-res.   | \$9.01       | 18.1%     | \$8.09     | 11.5%    | \$11.19   | 3.9%     |
|                                 |        |     |            |              |           |            |          |           |          |
|                                 |        |     |            |              |           |            |          |           |          |
|                                 |        |     |            |              |           |            |          |           |          |
|                                 |        |     |            |              |           |            |          |           |          |
|                                 |        |     |            |              |           |            |          |           |          |
|                                 |        |     |            |              |           |            |          |           |          |
| General Service > 50 to 4999 kW | 68,500 | 190 | Non-res.   | \$427.95     | 69.7%     | \$387.61   | 28.5%    | \$508.37  | 5.8%     |
|                                 |        |     |            |              |           |            |          |           |          |
|                                 |        |     |            |              |           |            |          |           |          |
|                                 |        |     |            |              |           |            |          |           |          |
|                                 |        |     |            |              |           |            |          |           |          |
|                                 |        |     |            |              |           |            |          |           |          |
|                                 |        |     |            |              |           |            |          |           |          |
| Unmetered Scattered Load        | 397    |     | Non-res.   | \$14.51      | 85.2%     | \$14.33    | 67.8%    | \$16.55   | 27.0%    |
|                                 |        |     |            |              |           |            |          |           |          |
|                                 |        |     |            |              |           |            |          |           |          |
|                                 |        |     |            |              |           |            |          |           |          |
|                                 |        |     |            |              |           |            |          |           |          |
|                                 |        |     |            |              |           |            |          |           |          |
|                                 |        |     |            |              |           |            |          |           |          |
| Street Lighting                 | 30,000 | 80  | Non-res.   | \$130.11     | 20.2%     | \$117.17   | 13.2%    | \$163.24  | 3.9%     |
|                                 |        |     |            |              |           |            |          |           |          |
|                                 |        |     |            |              |           |            |          |           |          |
|                                 |        |     |            |              |           |            |          |           |          |
|                                 |        |     |            |              |           |            |          |           |          |
|                                 |        |     |            |              |           |            |          |           |          |
|                                 |        |     | <u> </u>   |              |           |            |          |           |          |

# H5 Customer Bill Impact Analysis

Review detailed bill impacts (no input on this sheet)

| 00 kWh's                    | RPP:   | 2011 BILL |            |          |        | 2012 BILL  |          | CHANGE IMPACT |              |  |
|-----------------------------|--------|-----------|------------|----------|--------|------------|----------|---------------|--------------|--|
|                             | Metric | Volume    | Rate       | Charge   | Volume | Rate       | Charge   | \$            | %            |  |
| Monthly Service Charge      |        | 1         | \$8.53     | \$8.53   | 1      | \$12.87    | \$12.87  | \$4.34        | 50.9%        |  |
| Distribution                | kWh    | 800       | \$0.0060   | \$4.80   | 800    | \$0.0146   | \$11.68  | \$6.88        | >100%        |  |
| Global Adj                  | kWh    |           | \$0.0008   |          |        | \$0.0064   | -        |               |              |  |
| DVA                         | kWh    | 800       | (\$0.0017) | (\$1.36) | 800    | (\$0.0048) | (\$3.84) | (\$2.48)      | >100%        |  |
| LPP                         |        | 1         | \$0.2000   | \$0.20   | 1      |            |          | (\$0.20)      | (100.0%      |  |
| StdMtr                      | kWh    | 800       |            |          | 800    | \$0.0002   | \$0.15   | \$0.15        | ,            |  |
| LRAM                        | kWh    | 800       |            |          | 800    | \$0.0008   | \$0.64   | \$0.64        |              |  |
| LV                          | kWh    | 800       | \$0.0055   | \$4.40   | 800    | \$0.0042   | \$3.36   | (\$1.04)      | (23.6%       |  |
| SM                          |        | 1         | \$1.6900   | \$1.69   | 1      |            | -        | (\$1.69)      | (100.0%      |  |
| Distribution sub-total      |        |           |            | \$18.26  |        |            | \$24.86  | \$6.60        | 36.2%        |  |
| Electricity (Commodity)     | kWh    | 853       | RPP        | \$57.96  | 862    | RPP        | \$58.63  | \$0.67        | 1.2%         |  |
| † Transmission - Network    | kWh    | 853       | \$0.0057   | \$4.86   | 862    | \$0.0054   | \$4.63   | (\$0.23)      | (4.7%        |  |
| + Transmission - Connection | kWh    | 853       | \$0.0045   | \$3.84   | 862    | \$0.0043   | \$3.69   | (\$0.15)      | (3.9%        |  |
| Wholesale Market Service    | kWh    | 853       | \$0.0052   | \$4.43   | 862    | \$0.0052   | \$4.48   | \$0.05        | <u></u> 1.1% |  |
| Rural Rate Protection       | kWh    | 853       | \$0.0013   | \$1.11   | 862    | \$0.0013   | \$1.12   | \$0.01        | 0.9%         |  |
| Debt Retirement Charge      | kWh    | 800       | \$0.0070   | \$5.60   | 800    | \$0.0070   | \$5.60   |               |              |  |
| †                           |        |           |            |          |        |            |          |               |              |  |
| Subtotal                    |        |           |            | \$96.06  |        |            | \$103.01 | \$6.95        | 7.2%         |  |
| HST                         |        |           |            | \$12.49  |        |            | \$13.39  | \$0.90        | 7.2%         |  |
| TOTAL BILL                  |        |           |            | \$108.55 |        |            | \$116.40 | \$7.86        | 7.2%         |  |
| † Delivery Only             |        |           |            | \$26.96  |        |            | \$33.18  | \$6.22        | 23.1%        |  |

## H5 Customer Bill Impact Analysis

Review detailed bill impacts (no input on this sheet)

| 00 kWh's                    |        | 2011 BILL |            |          |        | 2012 BILL  |          | CHANGE IMPACT |         |
|-----------------------------|--------|-----------|------------|----------|--------|------------|----------|---------------|---------|
|                             | Metric | Volume    | Rate       | Charge   | Volume | Rate       | Charge   | \$            | %       |
| Monthly Service Charge      |        | 1         | \$24.61    | \$24.61  | 1      | \$29.50    | \$29.50  | \$4.89        | 19.9%   |
| Distribution                | kWh    | 2,000     | \$0.0081   | \$16.20  | 2,000  | \$0.0150   | \$30.00  | \$13.80       | 85.2%   |
| Global Adj                  | kWh    |           | \$0.0008   |          |        | \$0.0064   |          |               |         |
| DVA                         | kWh    | 2,000     | (\$0.0017) | (\$3.40) | 2,000  | (\$0.0048) | (\$9.60) | (\$6.20)      | >100%   |
| LPP                         | kWh    | 1         | \$0.5700   | \$0.57   | 1      |            |          | (\$0.57)      | (100.0% |
| StdMtr                      | kWh    | 2,000     |            |          | 2,000  | \$0.0002   | \$0.38   | \$0.38        |         |
| LRAM                        | kWh    | 2,000     |            |          | 2,000  | \$0.0001   | \$0.20   | \$0.20        |         |
| LV                          | kWh    | 2,000     | \$0.0051   | \$10.20  | 2,000  | \$0.0042   | \$8.40   | (\$1.80)      | (17.6%  |
| SM                          | kWh    | 1         | \$1.6900   | \$1.69   | 1      |            |          | (\$1.69)      | (100.0% |
| † Distribution sub-total    |        |           |            | \$49.87  |        |            | \$58.88  | \$9.01        | 18.1%   |
| Electricity (Commodity)     | kWh    | 2,132     | RPP        | \$152.40 | 2,154  | RPP        | \$154.07 | \$1.67        | 1.1%    |
| † Transmission - Network    | kWh    | 2,132     | \$0.0052   | \$11.09  | 2,154  | \$0.0049   | \$10.55  | (\$0.54)      | (4.9%   |
| † Transmission - Connection | kWh    | 2,132     | \$0.0045   | \$9.59   | 2,154  | \$0.0043   | \$9.21   | (\$0.38)      | (4.0%   |
| Wholesale Market Service    | kWh    | 2,132     | \$0.0052   | \$11.09  | 2,154  | \$0.0052   | \$11.20  | \$0.11        | 1.0%    |
| Rural Rate Protection       | kWh    | 2,132     | \$0.0013   | \$2.77   | 2,154  | \$0.0013   | \$2.80   | \$0.03        | 1.1%    |
| Debt Retirement Charge      | kWh    | 2,000     | \$0.0070   | \$14.00  | 2,000  | \$0.0070   | \$14.00  |               |         |
| †                           |        |           |            |          |        |            |          |               |         |
| Subtotal                    |        |           |            | \$250.81 |        |            | \$260.71 | \$9.90        | 3.9%    |
| HST                         |        |           |            | \$32.61  |        |            | \$33.89  | \$1.29        | 3.9%    |
| TOTAL BILL                  |        |           |            | \$283.42 |        |            | \$294.60 | \$11.19       | 3.9%    |
| + Delivery Only             |        |           |            | \$70.55  |        |            | \$78.64  | \$8.09        | 11.5%   |

# H5 Customer Bill Impact Analysis

Review detailed bill impacts (no input on this sheet)

| 500 kWh's                   |        |        | 2011 BILL  |            |        | 2012 BILL  |            | CHANGE     | IMPACT      |
|-----------------------------|--------|--------|------------|------------|--------|------------|------------|------------|-------------|
| 90 kW's                     | Metric | Volume | Rate       | Charge     | Volume | Rate       | Charge     | \$         | %           |
| Monthly Service Charge      |        | 1      | \$120.73   | \$120.73   | 1      | \$120.73   | \$120.73   |            |             |
| Distribution                | kW     | 190    | \$0.9881   | \$187.74   | 190    | \$2.6412   | \$501.83   | \$314.09   | >100%       |
| Global Adj                  | kW     | 190    | \$0.3390   | \$64.41    | 190    | \$2.4913   | \$473.35   | \$408.94   | >1009       |
| DVA                         | kW     | 190    | (\$0.7285) | (\$138.42) | 190    | (\$1.8874) | (\$358.61) | (\$220.19) | >1009       |
| LPP                         |        | 1      | \$2.5400   | \$2.54     | 1      |            |            | (\$2.54)   | (100.09     |
| StdMtr                      | kW     | 190    |            |            | 190    | \$0.0002   | \$0.04     | \$0.04     | ·           |
| LRAM                        | kW     | 190    |            |            | 190    | \$0.0527   | \$10.01    | \$10.01    |             |
| LV                          | kW     | 190    | \$1.9755   | \$375.35   | 190    | \$1.5507   | \$294.63   | (\$80.71)  | (21.59      |
| SM                          |        | 1      | \$1.6900   | \$1.69     | 1      |            |            | (\$1.69)   | (100.09     |
| † Distribution sub-total    |        |        |            | \$614.04   |        |            | \$1,041.99 | \$427.95   | 69.7        |
| Electricity (Commodity)     | kWh    | 73,021 | RPP        | \$5,469.08 | 73,785 | RPP        |            | \$57.32    | 1.0         |
| † Transmission - Network    | kW     | 190    | \$2.1334   | \$405.35   | 190    | \$2.0098   | \$381.87   | (\$23.48)  | (5.8)       |
| + Transmission - Connection | kW     | 190    | \$1.7937   | \$340.80   | 190    | \$1.7049   | \$323.94   | (\$16.86)  | (4.9        |
| Wholesale Market Service    | kWh    | 73,021 | \$0.0052   | \$379.71   | 73,785 | \$0.0052   | \$383.68   | \$3.97     | <u></u> 1.0 |
| Rural Rate Protection       | kWh    | 73,021 | \$0.0013   | \$94.93    | 73,785 | \$0.0013   | \$95.92    | \$0.99     | 1.0         |
| Debt Retirement Charge      | kWh    | 68,500 | \$0.0070   | \$479.50   | 68,500 | \$0.0070   | \$479.50   |            |             |
| †                           |        |        |            |            |        |            |            |            |             |
|                             |        |        |            |            |        |            |            |            |             |
| Subtotal                    |        |        |            | \$7,783.41 |        |            | \$8,233.30 | \$449.89   | 5.8         |
| HST                         |        |        |            | \$1,011.84 |        |            | \$1,070.33 | \$58.49    | 5.8         |
| TOTAL BILL                  |        |        |            | \$8,795.25 |        |            | \$9,303.63 | \$508.37   | 5.8         |
| † Delivery Only             |        |        |            | \$1,360.19 |        |            | \$1,747.80 | \$387.61   | 28.5        |

# H5 Customer Bill Impact Analysis

Review detailed bill impacts (no input on this sheet)

| 97 kWh's                    |        |        | 2011 BILL  |          |        | 2012 BILL  |          | CHANGE I | MPACT  |
|-----------------------------|--------|--------|------------|----------|--------|------------|----------|----------|--------|
|                             | Metric | Volume | Rate       | Charge   | Volume | Rate       | Charge   | \$       | %      |
| Monthly Service Charge      |        | 1      | \$12.31    | \$12.31  | 1      | \$14.75    | \$14.75  | \$2.44   | 19.8%  |
| Distribution                | kWh    | 397    | \$0.0081   | \$3.22   | 397    | \$0.0429   | \$17.03  | \$13.82  | >100%  |
| Global Adj                  | kWh    | 397    |            |          | 397    |            |          |          |        |
| DVA                         | kWh    | 397    | (\$0.0017) | (\$0.67) | 397    | (\$0.0048) | (\$1.91) | (\$1.23) | >100%  |
| LPP                         |        | 1      | . ,        | . ,      | 1      |            | . ,      | . ,      |        |
| StdMtr                      | kWh    | 397    |            |          | 397    |            |          |          |        |
| LRAM                        | kWh    | 397    |            |          | 397    |            |          |          |        |
| LV                          | kWh    | 397    | \$0.0055   | \$2.18   | 397    | \$0.0042   | \$1.67   | (\$0.52) | (23.6% |
| SM                          |        | 1      | -          | -        | 1      |            | -        |          | ,      |
|                             |        |        |            |          |        |            |          |          |        |
| † Distribution sub-total    |        |        |            | \$17.03  |        |            | \$31.54  | \$14.51  | 85.2%  |
| Electricity (Commodity)     | kWh    | 423    | RPP        | \$27.51  | 428    | RPP        | \$27.80  | \$0.29   | 1.1%   |
| † Transmission - Network    | kWh    | 423    | \$0.0052   | \$2.20   | 428    | \$0.0049   | \$2.09   | (\$0.11) | (5.0%  |
| † Transmission - Connection | kWh    | 423    | \$0.0045   | \$1.90   | 428    | \$0.0043   | \$1.83   | (\$0.07) | (3.7%  |
| Wholesale Market Service    | kWh    | 423    | \$0.0052   | \$2.20   | 428    | \$0.0052   | \$2.22   | \$0.02   | 0.9%   |
| Rural Rate Protection       | kWh    | 423    | \$0.0013   | \$0.55   | 428    | \$0.0013   | \$0.56   | \$0.01   | 1.8%   |
| Debt Retirement Charge      | kWh    | 397    | \$0.0070   | \$2.78   | 397    | \$0.0070   | \$2.78   |          |        |
| +                           |        |        | -          | -        |        |            | -        |          |        |
|                             |        |        |            |          |        |            |          |          |        |
|                             |        |        |            |          |        |            |          |          |        |
| Subtotal                    |        |        |            | \$54.17  |        |            | \$68.82  | \$14.65  | 27.0%  |
| HST                         |        |        |            | \$7.04   |        |            | \$8.95   | \$1.90   | 27.0%  |
| TOTAL BILL                  |        |        |            | \$61.22  |        |            | \$77.77  | \$16.55  | 27.0%  |
| † Delivery Only             |        |        |            | \$21.13  |        |            | \$35.46  | \$14.33  | 67.8%  |

# H5 Customer Bill Impact Analysis

Review detailed bill impacts (no input on this sheet)

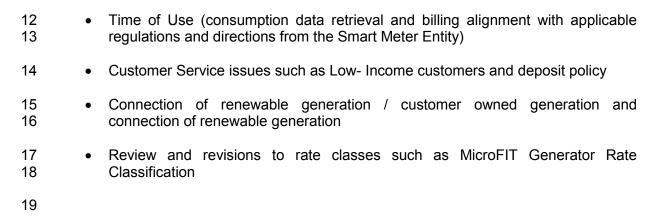
| <u>Lighting</u><br>00 kWh's | RPP:   | Non-res. | 2011 BILL  |            |        | 2012 BILL  | [          | CHANGE    | IMDACT  |
|-----------------------------|--------|----------|------------|------------|--------|------------|------------|-----------|---------|
|                             | Matria | Valuma   |            | Charma     | Valuma |            | Charren    |           |         |
| 80 kW's                     | Metric | Volume   | Rate       | Charge     | Volume | Rate       | Charge     | \$        | %       |
| Monthly Service Charge      |        | 1        | \$0.05     | \$0.05     | 1      | \$1.16     | \$1.16     | \$1.11    | >100%   |
| Distribution                | kW     | 80       | \$7.1591   | \$572.73   | 80     | \$7.9220   | \$633.76   | \$61.03   | 10.7%   |
| Global Adj                  | kW     |          |            |            | 80     | \$2.2844   | \$182.75   | \$182.75  |         |
| DVA                         | kW     | 80       | (\$0.6253) | (\$50.02)  | 80     | (\$1.7307) | (\$138.46) | (\$88.43) | >100%   |
| LPP                         |        | 1        | \$0.0300   | \$0.03     | 1      |            |            | (\$0.03)  | (100.0% |
| StdMtr                      | kW     | 80       |            |            | 80     |            |            |           |         |
| LRAM                        | kW     | 80       |            |            | 80     |            |            |           |         |
| LV                          | kW     | 80       | \$1.5279   | \$122.23   | 80     | \$1.1988   | \$95.90    | (\$26.33) | (21.5%  |
| SM                          |        | 1        |            |            | 1      |            |            | . ,       | ·       |
| Distribution sub-total      |        |          |            | \$645.02   |        |            | \$775.12   | \$130.11  | 20.2%   |
| Electricity (Commodity)     | kWh    | 31,980   | RPP        | \$2,391.00 | 32,315 | RPP        | \$2,416.11 | \$25.11   | 1.1%    |
| † Transmission - Network    | kW     | 80       | \$1.6088   | \$128.70   | 80     | \$1.5156   | \$121.25   | (\$7.45)  | (5.8%   |
| † Transmission - Connection | kW     | 80       | \$1.3866   | \$110.93   | 80     | \$1.3180   | \$105.44   | (\$5.49)  | (4.9%   |
| Wholesale Market Service    | kWh    | 31,980   | \$0.0052   | \$166.30   | 32,315 | \$0.0052   | \$168.04   | \$1.74    | 1.0%    |
| Rural Rate Protection       | kWh    | 31,980   | \$0.0013   | \$41.57    | 32,315 | \$0.0013   | \$42.01    | \$0.44    | 1.1%    |
| Debt Retirement Charge      | kWh    | 30,000   | -          | \$210.00   | 30,000 | \$0.0070   | \$210.00   |           |         |
| †                           |        |          |            |            | ,      |            |            |           |         |
| Subtotal                    |        |          |            | \$3,693.52 |        |            | \$3,837.97 | \$144.46  | 3.9%    |
| HST                         |        |          |            | \$480.16   |        |            | \$498.94   | \$18.78   | 3.9%    |
| TOTAL BILL                  |        |          |            | \$4,173.67 |        |            | \$4,336.91 | \$163.24  | 3.9%    |
| + Delivery Only             | -      | -        |            | \$884.65   |        |            | \$1,001.81 | \$117.17  | 13.2%   |

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 8 Tab 4 Schedule 3 Page 1 of 1

## **1 PROPOSED CHANGES TO CONDITIONS OF SERVCE**

Hydro 2000 has joined a Conditions of Service ("CoS") ad hoc working group facilitated by Elenchus, to develop an up-to-date, comprehensive and standardized set of CoS. The proposed approach is intended to reduce the administrative and regulatory effort required on the part of participating LDC's, share costs among the LDCs and ease the "path to comfort" of all interested parties through standardization and the adoption of best practices" for the LDC's Conditions of Service.

8 Within the next month (November 2011) Elenchus will arrange an informal meeting with 9 Board Staff and representatives of the Working Group. The purpose of the meeting will 10 be to brief OEB staff on the CoS and allow them to identify potential issues that may be 11 of concern to them. Amongst the proposed revisions are the following subjects.



Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 9

# Exhibit 9:

# **DEFERRAL AND VARIANCE ACCOUNTS**

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 9 Tab 1

Exhibit 9: Deferral And Variance Accounts

# Tab 1 (of 3): Status of Deferral and Variance Accounts

## **Description of Deferral and Variance Accounts**

1 2

3 As at December 31, 2010, Hydro 2000 has balances in the following Board-approved

4 deferral and variance accounts categorized by the Board as "Group 1", which do not

5 require a prudence review:<sup>1</sup>

6

#### Table 1: Group 1 Deferral and Variance Accounts

| 1550-LV Variance Account                         | The difference between amounts charged to the utility for low voltage services, and amounts charged to utility customers through its approved low voltage rates                                                |
|--------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1580-RSVA/WMS                                    | The difference between amounts charged to the utility for<br>wholesale market service, and amounts charged to utility<br>customers through its approved wholesale market service rate                          |
| 1584-RSVA/NW                                     | The difference between amounts charged to the utility for<br>transmission network services, and amounts charged to utility<br>customers through its approved transmission network service<br>rate              |
| 1586-RSVA/CN                                     | The difference between amounts charged to the utility for<br>transmission connection services, and amounts charged to utility<br>customers through its approved transmission connection service<br>rate        |
| 1588-RSVA/POWER                                  | The difference between amounts charged to the utility for<br>energy, and amounts billed to customers for energy, excluding<br>the Global Adjustment sub-account described below.                               |
| 1588-RSVA/POWER sub-account<br>Global Adjustment | The difference between amounts charged to the utility for the global adjustment in respect of non-RPP customers, and the global adjustment amounts charged to the utility's non-RPP customers.                 |
| 1590-Recovery of Regulatory Asset<br>Balances    | The difference between the regulatory balances approved by the<br>Board for disposition, and the amounts received from or<br>credited to utility customers through its approved regulatory<br>asset rate rider |

7

<sup>&</sup>lt;sup>1</sup> <u>Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR)</u> (EB-2008-0046), July 31, 2009, pages 6-7

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 9 Tab 1 Schedule 1 Page 2 of 3

As at December 31, 2010, Hydro 2000 has balances in the following Board-approved deferral and variance accounts categorized by the Board as "Group 2", which are subject to a prudence review:<sup>2</sup> Of the account listed below, Hydro 2000 is requesting approval to dispose of account 1508, 1555, 1556 and 1562.

5

#### Table 2: Group 2 Deferral and Variance Accounts

|                                    | 1                                                                |
|------------------------------------|------------------------------------------------------------------|
| 1508-Other Regulatory Assets       | Amounts of regulatory-created assets, not included in other      |
|                                    | accounts, resulting from the ratemaking actions of the Board.    |
| 1555-Smart Meters Capital Variance | The difference between capital costs incurred for the            |
| Account                            | deployment of smart meters, and amounts charged to utility       |
|                                    | customers through its approved smart meter funding adder         |
| 1556-Smart Meters OM&A Variance    | Incremental costs for operations, maintenance, administration    |
| Account                            | and amortization directly associated with smart meters           |
| 1562-Deferred Payments in Lieu of  | The amount resulting from the Board-approved PILs                |
| Taxes                              | methodology for determining the 2001 Deferral Account            |
|                                    | Allowance and the PILs proxy amount determined for 2002 and      |
|                                    | subsequent years                                                 |
| 1592-PILS & Tax Variance for 2006  | The tax impact of any differences after May 1, 2006 arising from |
| and Subsequent years               | changes in the 2006 opening balances, and any regulatory or      |
|                                    | legislative chabges to the tax rates and rules assumed in the    |
|                                    | 2006 OEB Tax Model.                                              |

6

7

Account 1562 is being disposed of in accordance with The Board issuance of a decision
and order in the combined proceeding on Account 1562 deferred PILs, EB-2008-0381,
on June 24, 2011. In this decision and order the Board directed distributors subject to
section 93 of the Electricity Act, 1998 to apply for final disposition of the balance in
account 1562 in its next general rates application (either IRM or cost of service). Further
details are presented at Tab 2, Schedule 3 of this exhibit.

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In accordance with the Board guidelines on Funding and Cost Recovery Mechanisms<sup>i</sup>
Hydro 2000 has added the net book value and accumulated depreciation of installed
meters, previously recorded to 1555, to the utility's rate base.

Hydro 2000 is requesting approval to dispose of the remaining balances of account 1555
which consist of the revenues from smart meter funding adders. The details of the
remaining balance can be found at Tab 3 of this Exhibit.

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Hydro 2000's usage of all deferral and variance accounts is consistent with applicable
Board definitions and requirements,<sup>3</sup> including the application of carrying charges using

7 approved rates where authorized.

<sup>&</sup>lt;sup>i</sup> Guidance presented in the 'notes" tab of the Board's Smart Meter Model issued

<sup>&</sup>lt;sup>3</sup> Ontario Energy Board, <u>Accounting Procedures Handbook for Electric Distribution Utilities</u>, Revised July 31, 2007, Article 220, pages 14-38

# Table 9.1.2 Deferral and Variance AccountContinuity Schedule

| Interest Rate (from sheet Y1) = 1.47%                               |                 |         | 1-Jan-2008 to 3 | 1-Dec-2008     |         |               |
|---------------------------------------------------------------------|-----------------|---------|-----------------|----------------|---------|---------------|
| Deferral / Variance Account                                         | Open. Principal | Changes | End. Principal  | Open. Interest | Changes | End. Interest |
| 1508-Other Reg Assets-OEB Cost Assessments                          |                 |         |                 |                |         |               |
| 1521-Special Purpose Charge Assessment Variance Account             |                 |         |                 |                |         |               |
| 1550-LV Variance Account                                            | 54,289          |         | 54,289          |                | 346     | 346           |
| 1555-Smart Meters Capital Variance Account                          | -7,854          |         | -7,854          |                | -448    | -448          |
| 1556-Smart Meters OM&A Variance Account                             |                 |         |                 |                |         |               |
| 1562-Deferred Payments in Lieu of Taxes                             | -9,910          |         | -9,910          |                | -2,758  | -2,758        |
| 1563-Account 1563 - Deferred PILs Contra Account                    | 9,910           | )       | 9,910           |                | 2,758   | 2,758         |
| 1565-Conservation and Demand Management Expenditures and Recoveries | 2,679           |         | 2,679           |                | 258     | 258           |
| 1566-CDM Contra Account                                             | -2,679          | )       | -2,679          |                | -258    | -258          |
| 1580-RSVAWMS                                                        | 1,063           |         | 1,063           |                | 1,535   | 1,535         |
| 1584-RSVANW                                                         | -29,584         |         | -29,584         |                | -3,115  | -3,115        |
| 1586-RSVACN                                                         | -35,555         |         | -35,555         |                | 2,003   | 2,003         |
| 1588-RSVAPOWER Main Account                                         | -78,157         | ,       | -78,157         |                | -10,505 | -10,505       |
| 1589-1588 Global Adjustment sub-account                             | 473             |         | 473             |                | 44      | 44            |
| 1590-Recovery of Regulatory Asset Balances                          | 8,294           |         | 8,294           |                | 98,905  | 98,905        |
| 1592-2006 PILs/Taxes Variance                                       | 36,359          |         | 36,359          |                | 1,992   | 1,992         |
| TOTAL                                                               | -50,672         |         | -50,672         |                | 90,757  | 90,757        |

# Table 9.1.2 Deferral and Variance AccountContinuity Schedule

| Interest Rate (from sheet Y1) = 1.47%                               |                 |          | 1-Jan-2009 to 3 | 1-Dec-2009     |         |               |
|---------------------------------------------------------------------|-----------------|----------|-----------------|----------------|---------|---------------|
| Deferral / Variance Account                                         | Open. Principal | Changes  | End. Principal  | Open. Interest | Changes | End. Interest |
| 1508-Other Reg Assets-OEB Cost Assessments                          |                 | 338      | 338             |                |         |               |
| 1521-Special Purpose Charge Assessment Variance Account             |                 |          |                 |                |         |               |
| 1550-LV Variance Account                                            | 54,289          | -7,619   | 46,670          | 346            | 616     | 962           |
| 1555-Smart Meters Capital Variance Account                          | -7,854          | 174,644  | 166,790         | -448           | -315    | -763          |
| 1556-Smart Meters OM&A Variance Account                             |                 | 4,306    | 4,306           |                |         |               |
| 1562-Deferred Payments in Lieu of Taxes                             | -9,910          |          | -9,910          | -2,758         | -112    | -2,870        |
| 1563-Account 1563 - Deferred PILs Contra Account                    | 9,910           |          | 9,910           | 2,758          | 112     | 2,870         |
| 1565-Conservation and Demand Management Expenditures and Recoveries | 2,679           |          | 2,679           | 258            | 30      | 288           |
| 1566-CDM Contra Account                                             | -2,679          |          | -2,679          | -258           | -30     | -288          |
| 1580-RSVAWMS                                                        | 1,063           | -15,761  | -14,698         | 1,535          | -125    | 1,410         |
| 1584-RSVANW                                                         | -29,584         | -14,769  | -44,353         | -3,115         | -464    | -3,579        |
| 1586-RSVACN                                                         | -35,555         | -14,074  | -49,629         | 2,003          | -517    | 1,486         |
| 1588-RSVAPOWER Main Account                                         | -78,157         | 272,070  | 193,913         | -10,505        | -1,961  | -12,466       |
| 1589-1588 Global Adjustment sub-account                             | 473             | -252,655 | -252,182        | 44             | 7       | 51            |
| 1590-Recovery of Regulatory Asset Balances                          | 8,294           | -1,986   | 6,308           | 98,905         | 87      | 98,992        |
| 1592-2006 PILs/Taxes Variance                                       | 36,359          | -4,332   | 32,027          | 1,992          | 400     | 2,392         |
| TOTAL                                                               | -50,672         | 140,162  | 89,490          | 90,757         | -2,272  | 88,485        |

# Table 9.1.2 Deferral and Variance AccountContinuity Schedule

| Interest Rate (from sheet Y1) = 1.47%                               |                |          | 1-Jan-2010 to 3 | 1-Dec-2010     |         |               |
|---------------------------------------------------------------------|----------------|----------|-----------------|----------------|---------|---------------|
| Deferral / Variance Account                                         | Open. Principa | Changes  | End. Principal  | Open. Interest | Changes | End. Interest |
| 1508-Other Reg Assets-OEB Cost Assessments                          | 338            | 321      | 659             |                | 5       | 5             |
| 1521-Special Purpose Charge Assessment Variance Account             |                |          |                 |                | 5,999   | 5,999         |
| 1550-LV Variance Account                                            | 46,670         | -90,664  | -43,994         | 962            | -1,196  | -234          |
| 1555-Smart Meters Capital Variance Account                          | 166,790        | -10,036  | 156,754         | -763           | 1,333   | 570           |
| 1556-Smart Meters OM&A Variance Account                             | 4,306          | 16,420   | 20,726          |                | 27      | 27            |
| 1562-Deferred Payments in Lieu of Taxes                             | -9,910         |          | -9,910          | -2,870         | -79     | -2,949        |
| 1563-Account 1563 - Deferred PILs Contra Account                    | 9,910          |          | 9,910           | 2,870          | 79      | 2,949         |
| 1565-Conservation and Demand Management Expenditures and Recoveries | 2,679          |          | 2,679           | 288            | 21      | 309           |
| 1566-CDM Contra Account                                             | -2,679         |          | -2,679          | -288           | -21     | -309          |
| 1580-RSVAWMS                                                        | -14,698        | -26,419  | -41,117         | 1,410          | -1,762  | -352          |
| 1584-RSVANW                                                         | -44,353        | 16,226   | -28,127         | -3,579         | 3,259   | -320          |
| 1586-RSVACN                                                         | -49,629        | 27,446   | -22,183         | 1,486          | -1,764  | -278          |
| 1588-RSVAPOWER Main Account                                         | 193,913        | -217,693 | -23,780         | -12,466        | 10,933  | -1,533        |
| 1589-1588 Global Adjustment sub-account                             | -252,182       | 284,442  | 32,260          | 51             | 718     | 769           |
| 1590-Recovery of Regulatory Asset Balances                          | 6,308          | -6,309   | -1              | 98,992         | -98,992 | -0            |
| 1592-2006 PILs/Taxes Variance                                       | 32,027         | -4,890   | 27,137          | 2,392          | 260     | 2,652         |
| TOTAL                                                               | 89,490         | -11,155  | 78,335          | 88,485         | -81,181 | 7,304         |

# Table 9.1.2 Deferral and Variance AccountContinuity Schedule

| Interest Rate (from sheet Y1) = 1.47%                               |           | 31-Dec-2010 B | alance  |          | pr-11  |         |
|---------------------------------------------------------------------|-----------|---------------|---------|----------|--------|---------|
| Deferral / Variance Account                                         | Principal | Interest      | Total   | Interest | Other  | Balance |
| 1508-Other Reg Assets-OEB Cost Assessments                          | 659       | 5             | 664     | 3        |        | 667     |
| 1521-Special Purpose Charge Assessment Variance Account             |           | 5,999         | 5,999   |          | -4,929 | 1,070   |
| 1550-LV Variance Account                                            | -43,994   | -234          | -44,229 | -213     |        | -44,441 |
| 1555-Smart Meters Capital Variance Account                          | 156,754   | 570           | 157,324 | 758      | -4,808 | 153,274 |
| 1556-Smart Meters OM&A Variance Account                             | 20,726    | 27            | 20,753  | 100      | 16,759 | 37,612  |
| 1562-Deferred Payments in Lieu of Taxes                             | -9,910    | -2,949        | -12,859 | -48      | -146   | -13,053 |
| 1563-Account 1563 - Deferred PILs Contra Account                    | 9,910     | 2,949         | 12,859  | 48       | 146    | 13,053  |
| 1565-Conservation and Demand Management Expenditures and Recoveries | 2,679     | 309           | 2,988   | 13       |        | 3,001   |
| 1566-CDM Contra Account                                             | -2,679    | -309          | -2,988  | -13      |        | -3,001  |
| 1580-RSVAWMS                                                        | -41,117   | -352          | -41,469 | -199     |        | -41,667 |
| 1584-RSVANW                                                         | -28,127   | -320          | -28,447 | -136     |        | -28,583 |
| 1586-RSVACN                                                         | -22,183   | -278          | -22,460 | -107     |        | -22,567 |
| 1588-RSVAPOWER Main Account                                         | -23,780   | -1,533        | -25,313 | -115     |        | -25,428 |
| 1589-1588 Global Adjustment sub-account                             | 32,260    | 769           | 33,029  | 156      |        | 33,185  |
| 1590-Recovery of Regulatory Asset Balances                          | -1        | -0            | -1      | -0       |        | -1      |
| 1592-2006 PILs/Taxes Variance                                       | 27,137    | 2,652         | 29,789  | 131      |        | 29,920  |
| TOTAL                                                               | 78,335    | 7,304         | 85,639  | 379      | 7,022  | 93,039  |

# Table 9.1.2 Deferral and Variance AccountContinuity Schedule

| Interest Rate (from sheet Y1) = 1.47%                               |          | 1-May-11 to 31-D | ec-11    |          | 1-Jan-12 to 30-Ap | or-12    |
|---------------------------------------------------------------------|----------|------------------|----------|----------|-------------------|----------|
| Deferral / Variance Account                                         | Interest | Other            | Balance  | Interest | Other             | Balance  |
| 1508-Other Reg Assets-OEB Cost Assessments                          | 7        |                  | 674      | 3        |                   | 677      |
| 1521-Special Purpose Charge Assessment Variance Account             | -49      |                  | 1,021    | -24      |                   | 998      |
| 1550-LV Variance Account                                            | -434     |                  | -44,875  | -213     |                   | -45,088  |
| 1555-Smart Meters Capital Variance Account                          | 1,499    | -206,928         | -52,155  | -266     | -8,112            | -60,533  |
| 1556-Smart Meters OM&A Variance Account                             | 370      | -37,982          | 0        | -2       |                   | -2       |
| 1562-Deferred Payments in Lieu of Taxes                             | -99      |                  | -13,152  | -49      |                   | -13,201  |
| 1563-Account 1563 - Deferred PILs Contra Account                    | 99       |                  | 13,152   | 49       |                   | 13,201   |
| 1565-Conservation and Demand Management Expenditures and Recoveries | 26       |                  | 3,027    | 13       |                   | 3,040    |
| 1566-CDM Contra Account                                             | -26      |                  | -3,027   | -13      |                   | -3,040   |
| 1580-RSVAWMS                                                        | -406     |                  | -42,073  | -199     |                   | -42,272  |
| 1584-RSVANW                                                         | -278     |                  | -28,861  | -136     |                   | -28,997  |
| 1586-RSVACN                                                         | -219     |                  | -22,786  | -107     |                   | -22,893  |
| 1588-RSVAPOWER Main Account                                         | -235     |                  | -25,663  | -115     |                   | -25,778  |
| 1589-1588 Global Adjustment sub-account                             | 318      |                  | 33,503   | 156      |                   | 33,659   |
| 1590-Recovery of Regulatory Asset Balances                          | -0       |                  | -1       | -0       |                   | -1       |
| 1592-2006 PILs/Taxes Variance                                       | 268      |                  | 30,188   | 131      |                   | 30,319   |
| TOTAL                                                               | 842      | -244,910         | -151,028 | -771     | -8,112            | -159,912 |

# Table 9.1.2 Deferral and Variance AccountContinuity Schedule

| Interest Rate (from sheet Y1) = 1.47%                               | 31-Dec-10 Balance + Interest to 30-Apr-12 1-May-12 to 31-Dec-12 |          |       |         |          |       |          |
|---------------------------------------------------------------------|-----------------------------------------------------------------|----------|-------|---------|----------|-------|----------|
| Deferral / Variance Account                                         | 31-Dec-10                                                       | Interest | Total |         | Interest | Other | Balance  |
| 1508-Other Reg Assets-OEB Cost Assessments                          | 664                                                             |          | 13    | 677     | 6        |       | 683      |
| 1521-Special Purpose Charge Assessment Variance Account             | 5,999                                                           |          | -72   | 5,927   | -48      |       | 949      |
| 1550-LV Variance Account                                            | -44,229                                                         |          | -859  | -45,088 | -431     |       | -45,519  |
| 1555-Smart Meters Capital Variance Account                          | 157,324                                                         |          | 1,991 | 159,315 | -618     |       | -61,151  |
| 1556-Smart Meters OM&A Variance Account                             | 20,753                                                          |          | 468   | 21,221  | -5       |       | -7       |
| 1562-Deferred Payments in Lieu of Taxes                             | -12,859                                                         |          | -196  | -13,055 | -99      |       | -13,299  |
| 1563-Account 1563 - Deferred PILs Contra Account                    | 12,859                                                          |          | 196   | 13,055  | 99       |       | 13,299   |
| 1565-Conservation and Demand Management Expenditures and Recoveries | 2,988                                                           |          | 52    | 3,040   | 26       |       | 3,067    |
| 1566-CDM Contra Account                                             | -2,988                                                          |          | -52   | -3,040  | -26      |       | -3,067   |
| 1580-RSVAWMS                                                        | -41,469                                                         |          | -803  | -42,272 | -403     |       | -42,675  |
| 1584-RSVANW                                                         | -28,447                                                         |          | -549  | -28,997 | -276     |       | -29,272  |
| 1586-RSVACN                                                         | -22,460                                                         |          | -433  | -22,893 | -217     |       | -23,111  |
| 1588-RSVAPOWER Main Account                                         | -25,313                                                         |          | -464  | -25,778 | -233     |       | -26,011  |
| 1589-1588 Global Adjustment sub-account                             | 33,029                                                          |          | 630   | 33,659  | 316      |       | 33,975   |
| 1590-Recovery of Regulatory Asset Balances                          | -1                                                              |          | -0    | -1      | -0       |       | -1       |
| 1592-2006 PILs/Taxes Variance                                       | 29,789                                                          |          | 530   | 30,319  | 266      |       | 30,585   |
| TOTAL                                                               | 85,639                                                          |          | 450   | 86,088  | -1,643   |       | -161,555 |

Hydro 2000 Filed: October 10, 2011 EB-2011-0326 Exhibit 9 Tab 2

Exhibit 9: Deferral And Variance Accounts

# Tab 2 (of 3): Clearance of Deferral and Variance Accounts

### Table 9.2.1. Proposed Deferral/Variance Account Balance Recoveries

Select balances to be recovered, effective date and recovery period (allocations on next sheet)

| Deferral / Variance Account                                         | Recover<br>Balance<br>as at? | Additional<br>Interest to<br>30 Apr/11? | Balance for<br>Recovery <sup>1</sup> | Additional<br>Interest for<br>Recoverv | Total<br>Recovery<br>Amount |
|---------------------------------------------------------------------|------------------------------|-----------------------------------------|--------------------------------------|----------------------------------------|-----------------------------|
| 1508-Other Reg Assets-OEB Cost Assessments                          | No Recovery                  | NO                                      |                                      |                                        |                             |
| 1521-Special Purpose Charge Assessment Variance Account             | 30-Apr-11                    | YES                                     | 998                                  |                                        | 998                         |
| 1550-LV Variance Account                                            | 30-Apr-11                    | YES                                     | -45,088                              |                                        | -45,088                     |
| 1555-Smart Meters Capital Variance Account                          | 30-Apr-11                    | NO                                      | -60,533                              |                                        | -60,533                     |
| 1556-Smart Meters OM&A Variance Account                             | 30-Apr-11                    | NO                                      | -2                                   |                                        | -2                          |
| 1562-Deferred Payments in Lieu of Taxes                             | 30-Apr-11                    | YES                                     | -13,201                              |                                        | -13,201                     |
| 1563-Account 1563 - Deferred PILs Contra Account                    | No Recovery                  | NO                                      |                                      |                                        |                             |
| 1565-Conservation and Demand Management Expenditures and Recoveries | No Recovery                  | NO                                      |                                      |                                        |                             |
| 1566-CDM Contra Account                                             | No Recovery                  | NO                                      |                                      |                                        |                             |
| 1580-RSVAWMS                                                        | 31-Dec-10                    | YES                                     | -41,469                              | -199                                   | -41,667                     |
| 1584-RSVANW                                                         | 31-Dec-10                    | YES                                     | -28,447                              | -136                                   | -28,583                     |
| 1586-RSVACN                                                         | 31-Dec-10                    | YES                                     | -22,460                              | -107                                   | -22,567                     |
| 1588-RSVAPOWER Main Account                                         | 31-Dec-10                    | YES                                     | -25,313                              | -115                                   | -25,428                     |
| 1589-1588 Global Adjustment sub-account                             | No Recovery                  | NO                                      |                                      |                                        |                             |
| 1590-Recovery of Regulatory Asset Balances                          | No Recovery                  | NO                                      |                                      |                                        |                             |
| 1592-2006 PILs/Taxes Variance                                       | No Recovery                  | NO                                      |                                      |                                        |                             |
| Total Recoveries                                                    |                              |                                         |                                      |                                        | -236,073                    |
| Annual Recovery Amounts # years:                                    | 2                            |                                         |                                      |                                        | -118,036                    |
| Recovery Account #                                                  | 1595                         | 1595-Dispositio                         | n and Recovery of                    | Regulatory Bala                        | nces                        |

<sup>1</sup> per sheet B5, except account 1590 (sheet C5)

<sup>2</sup> Interest Rate = 1.47% per sheet Y1

## Table 9.2.1. Proposed Deferral/Variar

Select balances to be recovered, effective c

| Deferral / Variance Account                                         | 31 Dec/10<br>Projected | 31 Dec/11<br>Projected        | 2010<br>Projected     | 2011<br>Projected     |
|---------------------------------------------------------------------|------------------------|-------------------------------|-----------------------|-----------------------|
|                                                                     | Balance                | Balance                       | Interest <sup>2</sup> | Interest <sup>2</sup> |
| 1508-Other Reg Assets-OEB Cost Assessments                          |                        | <u>683</u>                    | 10                    | 10                    |
| 1521-Special Purpose Charge Assessment Variance Account             | 1,021                  | 949                           | -49                   | -72                   |
| 1550-LV Variance Account                                            | -44,875                | -45,519                       | -647                  | -644                  |
| 1555-Smart Meters Capital Variance Account                          | -52,155                | -61,151                       | 2,257                 | -884                  |
| 1556-Smart Meters OM&A Variance Account                             | 0                      | -7                            | 470                   | -7                    |
| 1562-Deferred Payments in Lieu of Taxes                             | -13,152                | -13,299                       | -147                  | -147                  |
| 1563-Account 1563 - Deferred PILs Contra Account                    | 13,152                 | 13,299                        | 147                   | 147                   |
| 1565-Conservation and Demand Management Expenditures and Recoveries | 3,027                  | 3,067                         | 39                    | 39                    |
| 1566-CDM Contra Account                                             | -3,027                 | -3,067                        | -39                   | -39                   |
| 1580-RSVAWMS                                                        | -42,073                | -42,675                       | -604                  | -602                  |
| 1584-RSVANW                                                         | -28,861                | -29,272                       | -413                  | -412                  |
| 1586-RSVACN                                                         | -22,786                | -23,111                       | -326                  | -325                  |
| 1588-RSVAPOWER Main Account                                         | -25,663                | -26,011                       | -350                  | -348                  |
| 1589-1588 Global Adjustment sub-account                             | 33,503                 | 33,975                        | 474                   | 472                   |
| 1590-Recovery of Regulatory Asset Balances                          | -1                     | -1                            | -0                    | -0                    |
| 1592-2006 PILs/Taxes Variance                                       | 30,188                 | 30,585                        | 399                   | 397                   |
| Total Recoveries                                                    | -151,028               | -161,555                      | 1,221                 | -2,414                |
| Annual Recovery Amounts # years:                                    |                        |                               | 1,221                 |                       |
| Recovery Account #                                                  |                        | Interest Totals: <sup>3</sup> |                       | -2,414                |

<sup>1</sup> per sheet B5, except account 1590 (sheet C5) <sup>2</sup> Interest Pate = 1.47% per sheet V1

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## Selection of Balances for Disposition

| 2  | Table 9.2.1 presents the list of deferral and variance accounts, with the proposed            |
|----|-----------------------------------------------------------------------------------------------|
| 3  | selection of balances for disposition. All account balances selected for disposition are as   |
| 4  | at December 31, 2010 being the most recent date the balances were subject to audit.           |
| 5  | The exception to this rule is Account 1555 for which the disposition is at April 2012.        |
| 6  |                                                                                               |
| 7  | Additional interest to April 30, 2011 has also been included in the proposed amounts for      |
| 8  | disposition.                                                                                  |
| 9  |                                                                                               |
| 10 | In Table 9.2.1, 'No Recovery' appears for the Global Adjustment sub-account of account        |
| 11 | 1588-RSVA/Power. In fact, Hydro 2000 does propose to dispose of the sub-account               |
| 12 | balance, but through a distinct rate rider as described in Exhibit 9, Tab 2, Schedule 2.      |
| 13 |                                                                                               |
| 14 | Board policy states: at the time of rebasing, all Account balances should be disposed of      |
| 15 | unless otherwise justified by the distributor or as required by a specific Board decision or  |
| 16 | guideline. <sup>1</sup> The following accounts with non-zero balances have been excluded from |
| 17 | Hydro 2000's proposed dispositions:                                                           |
| 18 |                                                                                               |
| 19 | The only account that is being excluded from the proposed disposition is account 1592.        |
| 20 |                                                                                               |

<sup>&</sup>lt;sup>1</sup> <u>Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative</u> (EDDVAR) (EB-2008-0046), July 31, 2009, page 13

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## Calculation of Rate Riders

2

1

Table 9.2.2.1 at the next attachment shows the calculation of the proposed rate rider to
dispose of the balance in account 1588-RSVA/Power, sub-account Global Adjustment. A
distinct rate rider for this disposition would be charged only to non-RPP, non-MUSH<sup>1</sup>
customers, whose energy billings gave rise to the balance. The disposition would take
place over 12 months, the default period established by the Board.<sup>2</sup>

8

9 Table 9.2.2.2 at attachment 2 shows the calculation of the proposed rate riders to 10 dispose of all other deferral and variance accounts selected for disposition, as explained 11 in the previous schedule. The amounts for disposition have been allocated to individual 12 customer classes using the allocators prescribed by the Board.<sup>3</sup>

13

A disposition period of two years is proposed, the primary reason being that with the recent economic downturn, Hydro 2000's customers would benefit from immediate relief as opposed to a four year disposition. A one year disposition would create too much volatility in rates once the disposition expires.

<sup>&</sup>lt;sup>1</sup> RPP: Regulated Price Plan; MUSH: Municipalities, Universities, Schools & Hospitals <sup>2</sup> <u>Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative</u> (EDDVAR) (EB-2008-0046), July 31, 2009, page 24

<sup>&</sup>lt;sup>3</sup> *ibid.*, pages 21-22

## Table 9.2.2.1 Global Adjustment Rate Rider

Allocate recoveries of deferral / variance account balances

| Variance Account:                 | 1589      | 1589-1588 Global Adjustment sub-account |
|-----------------------------------|-----------|-----------------------------------------|
| Balance Date:                     | 30-Apr-11 | 33,659 from sheet G1                    |
| Additional Interest to 30 Apr/11? | YES       | 0                                       |
| Total for Recovery                |           | 33,659                                  |
| Recovery Period (years)           | 1         |                                         |
| Annual Recovery                   |           | 33,659                                  |

|                                 | Billing Determinant:       |         |           | Volumetric          |          |     |
|---------------------------------|----------------------------|---------|-----------|---------------------|----------|-----|
| Customer Class                  | non-RPP kWh's <sup>1</sup> | % share | Annual \$ | Volume <sup>2</sup> | Rate     | per |
| Residential                     | 564,448                    | 10.7%   | 3,596     | 564,448             | \$0.0064 | kWh |
| General Service < 50 kW         | 62,265                     | 1.2%    | 397       | 62,265              | \$0.0064 | kWh |
| General Service > 50 to 4999 kW | 4,309,284                  | 81.6%   | 27,457    | 11,021              | \$2.4913 | kW  |
| Unmetered Scattered Load        | 0                          | 0.0%    | 0         | 0                   | \$0.0000 | kWh |
| Street Lighting                 | 346,706                    | 6.6%    | 2,209     | 967                 | \$2.2844 | kW  |
| TOTAL                           | 5,282,703                  | 100.0%  | 33,659    |                     |          |     |

<sup>1</sup> from sheet C7

<sup>2</sup> if rate per kWh: non-RPP kWh's;

if rate per kW: total class kW's in 2011, multiplied by ratio of non-RPP kWh's to total class kWh's in 2009 (total class data from sheet C2)

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#### Table 9.2.2.2 Group 1 and 2 Rate Rider

Allocate recoveries of deferral / variance account balances

| Deferral / Variance Account                             | Total<br>Recovery<br>Amount | Allocation Basis | Residential | General Service<br>< 50 kW | General Service<br>> 50 to 4999 kW | Unmetered<br>Scattered Load | Street Lighting |
|---------------------------------------------------------|-----------------------------|------------------|-------------|----------------------------|------------------------------------|-----------------------------|-----------------|
| 1521-Special Purpose Charge Assessment Variance Account | 998                         | kWh's            | 600         | 192                        | 191                                | 1                           | 14              |
| 1550-LV Variance Account                                | -45,088                     | kWh's            | -27,111     | -8,688                     | -8,615                             | -34                         | -639            |
| 1555-Smart Meters Capital Variance Account              | -60,533                     | kWh's            | -36,398     | -11,665                    | -11,566                            | -46                         | -858            |
| 1556-Smart Meters OM&A Variance Account                 | -2                          | kWh's            | -1          | -0                         | -0                                 | -0                          | -0              |
| 1562-Deferred Payments in Lieu of Taxes                 | -13,201                     | kWh's            | -7,938      | -2,544                     | -2,522                             | -10                         | -187            |
| 1580-RSVAWMS                                            | -41,667                     | kWh's            | -25,055     | -8,029                     | -7,961                             | -31                         | -591            |
| 1584-RSVANW                                             | -28,583                     | kWh's            | -17,187     | -5,508                     | -5,461                             | -22                         | -405            |
| 1586-RSVACN                                             | -22,567                     | kWh's            | -13,570     | -4,349                     | -4,312                             | -17                         | -320            |
| 1588-RSVAPOWER Main Account                             | -25,428                     | kWh's            | -15,290     | -4,900                     | -4,859                             | -19                         | -361            |
| Total Recoveries Required (2 years)                     | -236,073                    |                  | -141,950    | -45,491                    | -45,106                            | -178                        | -3,347          |
| Annual Recovery Amounts                                 | -118,036                    |                  | -70,975     | -22,746                    | -22,553                            | -89                         | -1,674          |
| Proposed Rate Rider                                     |                             |                  | (\$0.0048)  | (\$0.0048)                 | (\$1.8874)                         | (\$0.0048)                  | (\$1.7307)      |
| per                                                     |                             |                  | kWh         | kWh                        | kW                                 | kWh                         | kW              |

| Allocators                            | Data<br>Source | 2011<br>Projection<br>Total | Residential | General Service<br>< 50 kW | General Service<br>> 50 to 4999 kW | Unmetered<br>Scattered Load | Street Lighting |
|---------------------------------------|----------------|-----------------------------|-------------|----------------------------|------------------------------------|-----------------------------|-----------------|
| Customers / Connections               | C1             | 1,589                       | 1,061       | 142                        | 12                                 | 6                           | 368             |
| kWh's                                 | C1             | 24,453,194                  | 14,703,667  | 4,712,132                  | 4,672,203                          | 18,486                      | 346,706         |
| Distribution Revenue (existing rates) | C4             | 314,301                     | 196,826     | 80,104                     | 29,192                             | 1,036                       | 7,144           |
| Distribution Revenue (proposed rates) | F4             | 563,134                     | 378,522     | 121,030                    | 48,945                             | 1,854                       | 12,783          |
|                                       |                |                             |             |                            |                                    |                             |                 |
|                                       |                |                             |             |                            |                                    |                             |                 |
|                                       |                |                             |             |                            |                                    |                             |                 |
|                                       |                |                             |             |                            |                                    |                             |                 |
|                                       |                |                             |             |                            |                                    |                             |                 |
|                                       |                |                             |             |                            |                                    |                             |                 |

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1

#### Account 1562 Deferred Payment in Lieu of Taxes

2

The Board issued a decision and order in the combined proceeding on Account 1562 deferred PILs, EB-2008-0381, on June 24, 2011. In this decision and order the Board directed distributors subject to section 93 of the Electricity Act, 1998 to apply for final disposition of the balance in account 1562 in its next general rates application (either IRM or cost of service).

Accordingly, Hydro 2000 Inc. ("Hydro 2000") has included the required evidence for the review and disposition of account 1562 in its IRM application. Hydro 2000 confirms the evidence filed is consistent with the level of detail found in the combined proceeding, including the findings in the Board's EB-2008-0381 decision and the settled issues found in the settlement agreement.

Hydro 2000 has provided the rate application filing models in electronic (Excel) format
utilizing the Board's decisions for the 2001 to 2005 for rates and the PILs proxies, which
includes revised SIMPIL models for the taxation years 2001-2005.

Hydro 2000 has provided detailed documentation supporting the rate application. Where possible, Hydro 2000 has provided this information electronically. However, in some cases the historical records available internally to Hydro 2000 may exist only in hardcopy.

20 The following supporting information is provided in a separate document entitled:21 Disposition of PILs Account 1562:

- 22 o PDF's of the associated final rate applications
- 23 PDF's of the associated PILs proxies and SIMPIL models
- PDF's of the signed Board decisions for each year that an application was
   filed requesting PILs to be included in rates

- PDF's of the final tax returns, notices of assessment, reassessment for
   each tax period from 2001-2005
- an electronic (Excel) copy of the PILs 1562 continuity schedule for the
  period from October 1, 2001 to April 30, 2006 is being filed along with this
  application. The model shows:
  - The PILs proxy amounts allowed for the number of months in each tax period.
- The amounts billed to customers during the same tax periods.
   Collections from customers have been defined as the amounts
   billed to customers. Hydro 2000 confirms that amounts which at
   the time would have been included in unbilled revenue accruals
   have now been included in collections.
- 13• The deferral account and true-up variances that are calculated in14the SIMPIL workbook TAXCALC sheet for each tax period.
- Hydro 2000 confirms that it was not subject to the Large
   Corporation Tax (LCT) and therefore not included in 2005 rates
   and no portion relates to the period January 1, 2006 to April 30,
   2006. LCT was repealed with effect from January 1, 2006.
  - Interest carrying charges for each tax period.

20 Hydro 2000 confirms the following:

6

7

19

- Hydro 2000's revised PILs proxy model contains details of final tax data
  and has been balanced to the source documents for each tax period.
- 23 o Items that should not true up to ratepayers under the methodology have
  24 been isolated onto sheet "TAXCALC3" from those items that are included
  25 in the true-up on sheet "TAXCALC" or "TAXCALC2" for each tax period.

- The income tax rate chosen for each tax year are supported by reference
   to tax law and Board precedents.
- 3 o The capital tax rates and thresholds or exemptions chosen are supported
  4 by reference to tax law and Board precedents.
- 5 o Hydro 2000 used data from its final tax returns for the tax years 2001
  6 through 2005 in calculating the final balance in PILs account 1562,
  7 including re-assessments as applicable.
- 8 o Hydro 2000 excluded regulatory assets and liabilities, when they were
  9 created or collected, in the calculation of the final balance in its PILs
  10 account 1562 regardless of the actual tax treatment accorded those
  11 amounts.
- Hydro 2000 was not subject to Ontario Capital Tax (OCT). Hydro 2000 is
   therefore not required to exclude variances associated with in the income
   tax true-up reconciliation. Hydro 2000 understands that under the SIMPIL
   methodology, OCT does not true up for income tax purposes, only for
   OCT purposes in the appropriate section of SIMPIL sheet TAXCALC.
- Hydro 2000 confirms the proposed rate riders to dispose of the account
  balances are appropriate to the best of its knowledge.
- 19 Hydro 2000 further notes the following:

#### 20 Model Revisions

Hydro 2000 believes that is has correctly accounted for the declining income tax rates and other changes in tax rules and legislation during the period 2001- 2005 in its revised SIMPIL model reconciliations. Hydro 2000 believes that it has addressed the errors in the 2001 and 2003 SIMPIL models that were released for reporting to the Board by utilizing

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the revised model used in the combined proceeding as recommended by
 the Board.

#### **Request for Disposition of 1562 Balance**

| Principal as of April 30, 2012                   | -9,910  |
|--------------------------------------------------|---------|
| Interest as of April 30, 2012                    | -3,143  |
| Amount Requested for Disposition of 1562 Balance | -13,053 |

3

4

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Exhibit 9: Deferral And Variance Accounts

#### Tab 3 (of 3): Smart Meters

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#### Smart Meter Deployment Plan Status

1 2

Attachment 1 summarizes the number of smart meters installed and amounts recordedto the related variance accounts.

5

6 Hydro 2000 began collection smart meter seed fund in 2006 following the Board's 7 approval to reallocate funds from another program under the Third Tranche funding for Conservation and Demand Management programs.<sup>1</sup> In 2009, Hydro 2000 entered into a 8 9 contract with Elster Metering for the full implementation of smart meters, following 10 participation in the London RFP Procurement Process. By the end of that year, smart 11 meters were 99% installed in Hydro 2000's Alfred and Plantagenet service areas. In total, Hydro 2000 installed 1171 smart meters in 2009 and an additional 18 in early 12 13 2010.

14

15 That same year, Hydro 2000 joined in on a cost sharing contract with other electricity 16 distributors in the region. Under this arrangement Renfrew Hydro, Hydro 2000, Co-17 operative Embrun, Hawksbury Hydro and Ottawa River Power Corporation now share 18 many operational costs.

19

Over the past three months, Hydro 2000 has been working closely with the IESO on the integration of meters and systems with the provincial Meter Data Management Repository ("MDMR"). Hydro 2000 staff attended MDMR briefings and workshops in 2010 and has spent approximately 300hours working on the integration over the past three months.

- 25
- 26 Table 1 below shows Hydro 2000's Smart Meter Deployment Plan.

27

<sup>1</sup> see EB-2006-0350

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#### Table 1: SMART METER DEPLOYMENT PLAN

2 3

1

| Year                                | Smart                      | t Meters Installed |                    | Percentage                                 | Accou                                     | unt 1555                | Account 1556          |
|-------------------------------------|----------------------------|--------------------|--------------------|--------------------------------------------|-------------------------------------------|-------------------------|-----------------------|
|                                     | Residential GS < 50 kW Oth |                    | Other <sup>1</sup> | of<br>applicable<br>customers<br>converted | Funding<br>Adder<br>Revenues<br>Collected | Capital<br>Expenditures | Operating<br>Expenses |
|                                     |                            |                    |                    | %                                          | \$                                        | \$                      | \$                    |
| 2006                                |                            |                    |                    |                                            | \$1,870.00                                |                         |                       |
| 2007                                |                            |                    |                    |                                            | \$3,737.00                                |                         |                       |
| 2008                                |                            |                    |                    |                                            | \$3,908.00                                |                         |                       |
| 2009                                | 1,040                      | 131                |                    | \$99.40                                    | \$10,718.00                               | \$199,259.00            | \$712.00              |
| 2010                                | 3                          | 7                  | 8                  | \$100.00                                   | \$14,537.00                               | \$3,129.00              | \$2,135.00            |
| 2011 and<br>beyond (if<br>required) |                            |                    |                    | \$100.00                                   | \$30,056.00                               | \$6,917.09              | \$18,942.00           |

4

5

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1

#### Funding and Cost Recovery Mechanisms

2

#### 3 <u>Smart Meter Related Capital Expenditures</u>

4

5 Hydro 2000 is applying for the transfer of its Smart Meter Related Capital expenditures

6 in the amount of \$223,059 from account 1555 to the capital asset account 1860-Meters.

7 Details are calculated in the Board's 2012 Smart Meter Model, which is being filed in

8 conjunction with the application. Details of the Capital and Operational Costs are

9 presented at the Attachment 1 of this Schedule. The summary cost by category is10 replicated below.

11

12

 Table 1: Smart Meter Capital Cost and Operational Expense Data

|   |       |                                 | 20         | 06 | 20         | 07 | 20         | 08 | 2009              | 2010              | 2011        | 2012 and<br>later | Total        |
|---|-------|---------------------------------|------------|----|------------|----|------------|----|-------------------|-------------------|-------------|-------------------|--------------|
|   |       |                                 | Aud<br>Act |    | Aud<br>Act |    | Aud<br>Act |    | Audited<br>Actual | Audited<br>Actual | Forecast    | Forecast          |              |
| 3 |       | gate Smart Meter<br>by Category |            |    |            |    | -          |    |                   |                   |             | -                 |              |
|   | 3.1   | Capital                         |            |    |            |    |            |    |                   |                   |             |                   |              |
|   | 3.1.1 | Smart Meter                     | \$         | -  | \$         | -  | \$         | -  | \$190,259.00      | \$3,038.00        | \$0.00      | \$0.00            | \$193,297.00 |
|   | 3.1.2 | Computer<br>Hardware            | \$         | -  | \$         | -  | \$         | -  | \$0.00            | \$0.00            | \$0.00      | \$0.00            | \$0.00       |
|   | 3.1.3 | Computer<br>Software            | \$         | -  | \$         | -  | \$         | -  | \$0.00            | \$12,121.00       | \$17,641.00 | \$0.00            | \$29,762.00  |
|   | 3.1.4 | Tools &<br>Equipment            | \$         | -  | \$         | -  | \$         | -  | \$0.00            | \$0.00            | \$0.00      | \$0.00            | \$0.00       |
|   | 3.1.5 | Other<br>Equipment              | \$         | -  | \$         | -  | \$         | -  | \$0.00            | \$0.00            | \$0.00      | \$0.00            | \$0.00       |
|   | 3.1.6 | Total<br>Capital Costs          | \$         | -  | \$         | -  | \$         | -  | \$190,259.00      | \$15,159.00       | \$17,641.00 | \$0.00            | \$223,059.00 |
|   | 3.2   | OM&A Costs                      |            |    |            |    |            |    |                   |                   |             |                   |              |
|   | 3.2.1 | Total OM&A<br>Costs             |            |    |            |    | <u>.</u>   |    | \$501.00          | \$5,530.00        | \$21,206.00 | \$11,150.00       |              |

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1

Hydro 2000 is also seeking approval to dispose of the remaining balance in account
1555 which represents revenues collected from the smart meter funding adders from
June 6 2006 to April 12, 2012. Continuity Statement for 1555 is presented at Schedule 3
of this Exhibit.

6

#### 7 Smart Meter Related OM&A Expenditures

8

9 Hydro 2000 is also applying for the transfer of its Smart Meter Related OM&A
10 expenditures in the amount of \$38,386 from account 1556 to OM&A account 5065-Meter
11 Expense. Table 1 above shows the year over year breakdown of the OM&A Costs.

Of the \$38,386, \$22,472 are considered "one-time" costs. Hydro 2000 proposes to recover these costs over a period of 4 years. (\$5,618/ year for 4 years). Yearly on-going costs are expected to be \$11,150. \$16,768 has therefore been added to the utility's OM&A.

#### 16 Prudence Review

17 The Board stated in the minimum filing requirement that distributors would be expected 18 to file for a final prudence review of the costs in the smart meter variance accounts at the 19 earliest possible opportunity following the availability of audited costs, since the 20 deployment of smart meters on a province-wide basis is now nearing completion.

Distributors scheduled to file 2012 cost of service applications would be expected to apply for the disposition of smart meter costs, subsequent inclusion in rate base, and for recovery of stranded costs, in that application.

Hydro will be filing for a prudence review in parallel with this application. The applicationwill be submitted no later than November 30, 2011

|                                                                                                                                                                                                          |                                                                 |                                                |                                             | _              |                           |                      |          |                |                      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|------------------------------------------------|---------------------------------------------|----------------|---------------------------|----------------------|----------|----------------|----------------------|
| Hydro 2000 Inc.                                                                                                                                                                                          |                                                                 |                                                |                                             |                |                           |                      |          |                |                      |
| Distributors must enter all incremental costs related to their smart meter progra<br>for those costs (and associated revenues) for which the Board has approved or<br>OM&A costs in revenue requirement. | am and all revenues recover<br>a a final basis, i.e. capital co | red to date in the app<br>sts have been includ | licable tabs except<br>led in rate base and |                |                           |                      |          |                |                      |
| For 2012, distributors that have completed their deployments by the end of 201<br>regardless of whether a distributor has deployments in 2012, distributors shoul<br>service.                            |                                                                 |                                                |                                             |                |                           |                      |          |                |                      |
|                                                                                                                                                                                                          |                                                                 | 2006                                           | 2007                                        | 2008           | 2009                      | 2010                 | 2011     | 2012 and later | Total                |
| Smart Meter Capital Cost and Operational Expense Data                                                                                                                                                    |                                                                 | Audited Actual                                 | Audited Actual                              | Audited Actual | Audited Actual            | Audited Actual       | Forecast | Forecast       | iotai                |
| Smart Meter Installation Plan                                                                                                                                                                            |                                                                 |                                                |                                             |                |                           |                      |          |                |                      |
| Actual/Planned number of Smart Meters installed during the Calendar Year                                                                                                                                 |                                                                 |                                                |                                             |                |                           |                      |          |                |                      |
| Residential                                                                                                                                                                                              |                                                                 |                                                |                                             | 0              | 1,027                     | 13                   | 6        | 6              | 1052                 |
| General Service < 50 kW                                                                                                                                                                                  |                                                                 |                                                |                                             |                | 130                       |                      |          |                | 138                  |
| Actual/Planned number of Smart Meters installed (Residential and GS < 50 kW only)                                                                                                                        |                                                                 | 0                                              | 0                                           | 0              | 1157                      | 21                   | 6        | 6              | 1190                 |
| Percentage of Residential and GS < 50 kW Smart Meter Installations Completed                                                                                                                             |                                                                 | 0.00%                                          | 0.00%                                       | 0.00%          | 97.23%                    | 98.99%               | 99.50%   | 100.00%        | 100.00%              |
| Actual/Planned number of GS > 50 kW meters installed                                                                                                                                                     |                                                                 |                                                |                                             |                |                           | 7                    | 0        | 0              | 7                    |
| Other (please identify)                                                                                                                                                                                  |                                                                 |                                                |                                             |                |                           |                      |          |                | 0                    |
| Total Number of Smart Meters installed or planned to be installed                                                                                                                                        |                                                                 | 0                                              | 0                                           | 0              | 1157                      | 28                   | 6        | 6              | 1197                 |
| 1 Capital Costs                                                                                                                                                                                          |                                                                 |                                                |                                             |                |                           |                      |          |                |                      |
| 1.1 ADVANCED METERING COMMUNICATION DEVICE (AMCD)                                                                                                                                                        | Asset Type<br>Asset type must be                                |                                                |                                             |                |                           |                      |          |                |                      |
| 111 Smort Motors (multiplicate and and the state)                                                                                                                                                        | selected to enable<br>calculations<br>Smart Meter               | Audited Actual                                 | Audited Actual                              | Audited Actual | Audited Actual<br>168,351 | Audited Actual 3,038 | Forecast | Forecast       | \$ 171,389           |
| 1.1.1 Smart Meters (may include new meters and modules, etc.)                                                                                                                                            | Smart Meter                                                     |                                                |                                             |                |                           | 3,030                |          |                |                      |
| 1.1.2 Installation Costs (may include socket kits, labour, vehicle, benefits, etc.)                                                                                                                      | Smart Meter                                                     |                                                |                                             |                | 12,745                    |                      |          |                | \$ 12,745            |
| 1.1.3a Workforce Automation Hardware (may include fieldwork handhelds, barcode hardware, etc.)     1.1.3b Workforce Automation Software (may include fieldwork handhelds, barcode hardware, etc.)        |                                                                 |                                                |                                             |                |                           |                      |          |                | » -<br>Տ -           |
| Total Advanced Metering Communications Devices (AMCD)                                                                                                                                                    |                                                                 | <u> </u>                                       | <u> </u>                                    | ¢              | \$ 181.096                | \$ 3.038             | ¢        | ¢              | \$<br>\$ 184.134     |
| Total Advanced metering Communications Devices (AmCD)                                                                                                                                                    | A                                                               | φ -                                            |                                             | ş -            | \$ 161,090                | ş 3,036              | φ -      | φ <u>-</u>     | <del>φ</del> 104,134 |
| 1.2 ADVANCED METERING REGIONAL COLLECTOR (AMRC) (includes LAN)                                                                                                                                           | Asset Type                                                      | Audited Actual                                 | Audited Actual                              | Audited Actual | Audited Actual            | Audited Actual       | Forecast | Forecast       |                      |
| 1.2.1 Collectors                                                                                                                                                                                         | Smart Meter                                                     | Addited Actual                                 | Addited Actual                              | Addited Actual | 9,163                     | Addited Actual       | Torecast | Torecast       | \$ 9,163             |
| 1.2.2 Repeaters (may include radio licence, etc.)                                                                                                                                                        |                                                                 |                                                |                                             |                |                           |                      |          |                | \$-                  |
| 1.2.3 Installation (may include meter seals and rings, collector computer hardware, etc.)                                                                                                                |                                                                 |                                                |                                             |                |                           |                      |          |                | \$-                  |
| Total Advanced Metering Regional Collector (AMRC) (Includes LAN)                                                                                                                                         |                                                                 | \$-                                            | \$-                                         | \$-            | \$ 9,163                  | \$ -                 | \$ -     | \$-            | \$ 9,163             |
|                                                                                                                                                                                                          | A                                                               |                                                |                                             |                |                           |                      |          |                |                      |
| 1.3 ADVANCED METERING CONTROL COMPUTER (AMCC)                                                                                                                                                            | Asset Type                                                      | Audited Actual                                 | Audited Actual                              | Audited Actual | Audited Actual            | Audited Actual       | Forecast | Forecast       |                      |
| 1.3.1 Computer Hardware                                                                                                                                                                                  |                                                                 |                                                |                                             |                |                           |                      |          |                | \$-                  |
| 1.3.2 Computer Software                                                                                                                                                                                  |                                                                 |                                                |                                             |                |                           |                      |          |                | \$-                  |
| 1.3.3 Computer Software Licences & Installation (includes hardware and software)                                                                                                                         |                                                                 |                                                |                                             |                |                           |                      |          |                | \$-                  |
| (may include AS/400 disk space, backup and recovery computer, UPS, etc.)<br>Total Advanced Metering Control Computer (AMCC)                                                                              |                                                                 | \$ -                                           | \$ -                                        | \$ -           | \$ -                      | \$ -                 | \$ -     | \$ -           | \$ -                 |

| 1.1.1.dxx3000 Feed                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                           | Asset Type        |                       |                       |                |                         |                |                |                |            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-----------------------|-----------------------|----------------|-------------------------|----------------|----------------|----------------|------------|
| Take Answer (MAN)       Image: Section (MAN)       Im                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 1.4 WIDE AREA NETWORK (WAN)                                                                                                                               |                   | Audited Actual        | Audited Actual        | Audited Actual | Audited Actual          | Audited Actual | Forecast       | Forecast       |            |
| Austrant       Auder Anal                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 1.4.1 Activiation Fees                                                                                                                                    |                   |                       |                       |                |                         |                |                |                | \$-        |
| IA OMERA ANDARA COST SELATED TO MINIOUN FUNCTIONALITY       Added Add                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Total Wide Area Network (WAN)                                                                                                                             |                   | \$-                   | \$-                   | \$-            | \$ -                    | \$-            | \$ -           | \$-            | \$ -       |
| IA OMERA ANDARA COST SELATED TO MINIOUN FUNCTIONALITY       Added Add                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                           |                   |                       |                       |                |                         |                |                |                |            |
| 1.1.1. Cacher Enginter Invasore or example equations       Image: Second Pression Control Contrecont Contrecont Control Control Control Control Contro          |                                                                                                                                                           | Asset Type        | A colling of A street | A - dite d A - to - t | A              | A., 1944 J. A., 6, 191  | A              | <b>F</b>       | Francis        |            |
| 1.2.4 Milleficier GS       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I       I                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                           |                   | Audited Actual        | Audited Actual        | Audited Actual | Audited Actual          | Audited Actual | Forecast       | Forecast       | •          |
| 1.3.1 Protection       Image: Im          |                                                                                                                                                           |                   |                       |                       |                |                         |                |                |                |            |
| 1.5.4 brogstom       1.5.6 organs Maragement       1.5.7 organs Maragement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                           |                   |                       |                       |                |                         |                |                |                |            |
| 15.9 Program Management       Image ment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                           |                   |                       |                       |                |                         |                |                |                |            |
| 1.50 Other Add Capital Costs Related to Minimur Functionality       3       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5       5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | -                                                                                                                                                         |                   |                       |                       |                |                         |                |                |                |            |
| 10 Other Add Capital Costs Related to Minimum Functionality       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1       1<                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                           |                   |                       |                       |                |                         |                |                |                |            |
| Total Capital Goals Related to Minimur Functionality       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3       3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                           |                   | <u>e</u>              | ¢                     | 2              | ¢                       | 2              | e              | <u>د</u>       | φ -        |
| Asset Type       Audited Actual       Audited A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                           |                   | <del>ې -</del>        | <u> </u>              | <u>ф</u> -     | φ                       | φ              | <del>ې -</del> | φ -            | <u>ب</u>   |
| 1.3 CAPITAL COSTS BEYOND NUMUUP FUNCTIONALITY       Audited Actual       Audi                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | i otal Capital Costs Related to Minimum Functionality                                                                                                     | •                 | <del>ه -</del>        | <u>ъ</u> -            | <del>ъ -</del> | \$ 190,259              | \$ 3,038       | <del>ې -</del> | <del>ه -</del> | \$ 193,297 |
| Present of each or delay nature of delay nature |                                                                                                                                                           | Asset Type        | Accellance Accel      |                       |                | A., 1944 - 1, A., A., 1 | A              | Francis        | Francis        |            |
| inflationative that accord flows specified in O. Reg 42506       Image and in the precise of the prec          |                                                                                                                                                           |                   | Audited Actual        | Audited Actual        | Audited Actual | Audited Actual          | Audited Actual | Forecast       | Forecast       |            |
| and mall general service       Computer Software       Image and mall general service       Image and                                                                                                                                                                                                                                                                                                                                                                                                              | 1.6.1 Costs related to technical capabilities in the smart meters or related communications<br>infrastructure that exceed those specified in O.Reg 425/06 |                   |                       |                       |                |                         |                |                |                | \$ -       |
| and mall general service       Computer Software       Image and mall general service       Image and                                                                                                                                                                                                                                                                                                                                                                                                              | 1.6.2 Costs for deployment of smart meters to customers other than residential                                                                            |                   |                       |                       |                |                         |                |                |                |            |
| integration with the MDM/R, etc.       12,121       17,641       \$ 23,761         Total Capital Costs Beyond Minimum Functionality       \$ 3       \$ 3       \$ 12,121       \$ 17,641       \$ 23,761         Total Smart Meter Capital Costs       \$ 3       \$ 3       \$ 3       \$ 190,269       \$ 15,158       \$ 17,641       \$ 23,761         Total Smart Meter Capital Costs       \$ 3       \$ 3       \$ 3       \$ 190,269       \$ 15,158       \$ 17,641       \$ 23,761         Comparison Contract       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3       \$ 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                           |                   |                       |                       |                |                         |                |                |                | \$ -       |
| Total Smart Meter Capital Costs       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S       S                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                           | Computer Software |                       |                       |                |                         | 12,121         | 17,641         |                | \$ 29,761  |
| OM&A Expenses         2.1 ADVANCED METERING COMMUNICATION DEVICE (AMCD)         Audited Actual                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Total Capital Costs Beyond Minimum Functionality                                                                                                          |                   | \$ -                  | \$ -                  | \$ -           | \$ -                    | \$ 12,121      | \$ 17,641      | \$-            | \$ 29,761  |
| 2.1 ADVACED METERING COMMUNICATION DEVICE (AMCD) Audited Actual Audited A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Total Smart Meter Capital Costs                                                                                                                           |                   | \$-                   | \$-                   | \$ -           | \$ 190,259              | \$ 15,158      | \$ 17,641      | \$-            | \$ 223,058 |
| 2.1.1 Maintenance (may include meter reverification costs, etc.)   2.1.2 Other (please specify)   Total Incremental AMCD OM&A Costs   2.2 ADVANCED METERING REGIONAL COLLECTOR (AMRC) (includes LAN)   2.1.1 Maintenance   2.2.1 Maintenance   2.2.2 Other (please specify)   Cotal Incremental AMRC OM&A Costs   2.2.2 Other (please specify)   Cotal Incremental AMRC OM&A Costs   2.3 ADVANCED METERING CONTROL COMPUTER (AMRC)   2.3.1 Hardware Maintenance (may include server support, etc.)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 2 OM&A Expenses                                                                                                                                           |                   |                       |                       |                |                         |                |                |                |            |
| 2.1.2 Other (please specify)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 2.1 ADVANCED METERING COMMUNICATION DEVICE (AMCD)                                                                                                         |                   | Audited Actual        | Audited Actual        | Audited Actual | Audited Actual          | Audited Actual | Forecast       | Forecast       |            |
| Total Incremental AMCD OM&A Costs       \$\$.\$\$.\$\$.\$\$.\$\$.\$\$.\$\$.\$\$.\$\$.\$\$.\$\$.\$\$.\$\$.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 2.1.1 Maintenance (may include meter reverification costs, etc.)                                                                                          |                   |                       |                       |                |                         |                |                |                | \$ -       |
| 2.2 ADVANCED METERING REGIONAL COLLECTOR (AMRC) (includes LAN)         2.2.1 Maintenance         2.2.2 Other (please specify)         Total Incremental AMRC OM&A Costs         2.3 ADVANCED METERING CONTROL COMPUTER (AMCC)         2.3.1 Hardware Maintenance (may include server support, etc.)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 2.1.2 Other (please specifiy)                                                                                                                             |                   |                       |                       |                |                         |                |                |                | \$ -       |
| 2.2.1 Maintenance       5,530       21.206       11.150       \$       38,386         2.2.2 Other (please specify)       1       1       5,530       21.206       11.150       \$       38,386         2.2.2 Other (please specify)       1       1       1       1       1       1       \$       38,386         2.2.2 Other (please specify)       1       1       1       1       1       1       \$       38,386         Total Incremental AMRC OM&A costs       \$       \$       \$       \$       \$       38,386         2.3 ADVANCED METERING CONTROL COMPUTER (AMCC)         2.3.1 Hardware Maintenance (mey include server support, etc.)       1       1       1       1       1       1       \$       38,386                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Total Incremental AMCD OM&A Costs                                                                                                                         |                   | \$-                   | \$-                   | \$ -           | \$-                     | \$ -           | \$-            | \$-            | \$ -       |
| 2.2 Other (please specify)       Image: Section of the s          | 2.2 ADVANCED METERING REGIONAL COLLECTOR (AMRC) (includes LAN)                                                                                            |                   |                       |                       |                |                         |                |                |                |            |
| Total Incremental AMRC OM&A Costs       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$       \$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 2.2.1 Maintenance                                                                                                                                         |                   |                       |                       |                | 501                     | 5,530          | 21,206         | 11,150         | \$ 38,386  |
| 2.3 ADVANCED METERING CONTROL COMPUTER (AMCC) 2.3.1 Hardware Maintenance (may include server support, etc.)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 2.2.2 Other (please specify)                                                                                                                              |                   |                       |                       |                |                         |                |                |                | \$ -       |
| 2.3.1 Hardware Maintenance (may include server support, etc.)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Total Incremental AMRC OM&A Costs                                                                                                                         |                   | \$-                   | \$ -                  | \$ -           | \$ 501                  | \$ 5,530       | \$ 21,206      | \$ 11,150      | \$ 38,386  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 2.3 ADVANCED METERING CONTROL COMPUTER (AMCC)                                                                                                             |                   |                       |                       |                |                         |                |                |                |            |
| 2.3.2 Software Maintenance (may include maintenance support, etc.)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 2.3.1 Hardware Maintenance (may include server support, etc.)                                                                                             |                   |                       |                       |                |                         |                |                |                | \$-        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 2.3.2 Software Maintenance (may include maintenance support, etc.)                                                                                        |                   |                       |                       |                |                         |                |                |                | \$-        |

\_ \_\_\_\_

| 2.3.2 Other (please sp                     | pecifiy)                                                                                                                                                                                  |    |               |                |                |                |                |           |           | \$      |
|--------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|---------------|----------------|----------------|----------------|----------------|-----------|-----------|---------|
| Fotal Incremental A                        | AMCC OM&A Costs                                                                                                                                                                           | \$ | -             | \$ -           | \$-            | \$ -           | \$ -           | \$ -      | \$ -      | \$      |
| .4 WIDE AREA NE                            | ETWORK (WAN)                                                                                                                                                                              |    |               |                |                |                |                |           |           |         |
| .4.1 WAN Mainten                           | ance                                                                                                                                                                                      |    |               |                |                |                |                |           |           | \$      |
| 2.4.2 Other (please sp                     | pecify)                                                                                                                                                                                   |    |               |                |                |                |                |           |           | \$      |
| Fotal Incremental A                        | AMRC OM&A Costs                                                                                                                                                                           | \$ | -             | \$-            | \$-            | \$ -           | \$-            | \$ -      | \$-       | \$      |
| .5 OTHER AMI ON                            | M&A COSTS RELATED TO MINIMUM FUNCTIONALITY                                                                                                                                                |    |               |                |                |                |                |           |           |         |
| .5.1 Business Proc                         | cess Redesign                                                                                                                                                                             |    |               |                |                |                |                |           |           | \$      |
| 5.2 Customer Cor                           | mmunication (may include project communication, etc.)                                                                                                                                     |    |               |                |                |                |                |           |           | \$      |
| .5.3 Program Man                           | agement                                                                                                                                                                                   |    |               |                |                |                |                |           |           | \$      |
| .5.4 Change Mana                           | agement (may include training, etc.)                                                                                                                                                      |    |               |                |                |                |                |           |           | \$      |
| .5.5 Administration                        | n Costs                                                                                                                                                                                   |    |               |                |                |                |                |           |           | \$      |
| .5.6 Other AMI Exp                         | penses                                                                                                                                                                                    |    |               |                |                |                |                |           |           | \$      |
| (please specify)<br>otal Other AMI ON      | M&A Costs Related to Minimum Functionality                                                                                                                                                | \$ |               | \$ -           | \$ -           | \$ -           | \$ -           | \$ -      | \$ -      | \$      |
| OTAL OM&A COS                              | STS RELATED TO MINIMUM FUNCTIONALITY                                                                                                                                                      | \$ |               | \$-            | \$ -           | \$ 501         | \$ 5,530       | \$ 21,206 | \$ 11,150 | \$ 38,3 |
|                                            | RELATED TO BEYOND MINIMUM FUNCTIONALITY                                                                                                                                                   | А  | udited Actual | Audited Actual | Audited Actual | Audited Actual | Audited Actual | Forecast  |           |         |
| .6.1 Costs related                         | tive title and identify nature of beyond minimum functionality costs)<br>to technical capabilities in the smart meters or related communications<br>cceed those specified in O.Reg 425/06 |    |               |                |                |                |                |           |           | \$      |
| 6.2 Costs for depl<br>nd small general se  | loyment of smart meters to customers other than residential<br>ervice                                                                                                                     |    |               |                |                |                |                |           |           | \$      |
| .6.3 Costs for TOL<br>tegration with the I | J rate implementation, CIS system upgrades, web presentation, MDM/R, etc.                                                                                                                 |    |               |                |                |                |                |           |           | \$      |
| Fotal OM&A Costs                           | Beyond Minimum Functionality                                                                                                                                                              | \$ |               | \$ -           | \$ -           | \$ -           | \$-            | \$ -      | \$ -      | \$      |
| Fotal Smart Meter                          | OM&A Costs                                                                                                                                                                                | \$ | -             | \$ -           | \$ -           | \$ 501         | \$ 5,530       | \$ 21,206 | \$ 11,150 | \$ 38,  |
| Aggregate Sma                              | rt Meter Costs by Category                                                                                                                                                                |    |               |                |                |                |                |           |           |         |
| 3.1                                        | Capital                                                                                                                                                                                   |    |               |                |                |                |                |           |           |         |
| 8.1.1                                      | Smart Meter                                                                                                                                                                               | \$ | -             | \$-            | \$-            | \$ 190,259     | \$ 3,038       | \$ -      | \$ -      | \$ 193, |
| .1.2                                       | Computer Hardware                                                                                                                                                                         | \$ | -             | \$-            | \$-            | \$ -           | \$-            | \$-       | \$ -      | \$      |
| .1.3                                       | Computer Software                                                                                                                                                                         | \$ | -             | \$-            | \$-            | \$ -           | \$ 12,121      | \$ 17,641 | \$-       | \$ 29,  |
| .1.4                                       | Tools & Equipment                                                                                                                                                                         | \$ | -             | \$ -           | \$-            | \$ -           | \$-            | \$-       | \$-       | \$      |
| .1.5                                       | Other Equipment                                                                                                                                                                           | \$ | -             | \$ -           | \$ -           | \$ -           | \$ -           | \$ -      | \$ -      | \$      |
|                                            | Total Capital Costs                                                                                                                                                                       | \$ | -             | \$-            | \$-            | \$ 190,259     | \$ 15,158      | \$ 17,641 | \$-       | \$ 223, |
| .1.6                                       |                                                                                                                                                                                           |    |               |                |                |                |                |           |           |         |
| 3.1.6<br>3.2                               | OM&A Costs                                                                                                                                                                                |    |               |                |                |                |                |           |           |         |

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1

#### **Clearance of Smart Meter Variance Accounts**

2

Hydro 2000 is requesting disposition of its remaining balance in account 1555. The
balance represents revenues collected from funding adders. At April 30, 2012 revenues
collected will total \$64,826. This amount is consistent with the calculations presented in
the Board's Smart Meter Model.<sup>1</sup>

7

8 The table below explains adjustment made in 2011. The adjustment of \$211,402 in 2011

- 9 representing the transfer of Smart Meter Capital Costs is further broken down in the
- 10 table below.
- 11

| Account 1555                                | Amount     |
|---------------------------------------------|------------|
| Audited Closing Balance at December 3, 2010 | \$190,722  |
| Opening Balance at Jan 1, 2011              | \$190,722  |
| 2011 expenses (MDMR)                        | \$20,679   |
| Removal of Smart Meter Capital Costs:       |            |
| Capital Costs: \$223,059                    | ¢ 011 400  |
| Amortization:\$12,688                       | \$-211,402 |
| Adjustment: \$1031                          |            |
|                                             |            |
| TOTAL                                       | \$1        |

12

\*The utility has made an adjustment to account for the split of capital costs. Meters costs
transferred into 1860-Meters are depreciated over 25 years and software related cost
into account 1525-Software are depreciated over a period of 5 years.

16

<sup>&</sup>lt;sup>1</sup> Tab 8. Funding\_Adder\_Rev of The Board's Smart Meter Model.

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- 1 The balances of account 1555 in the amount of \$60,533<sup>2</sup> include the carrying charges.
- 2 Calculations of the carrying charges are presented in the continuity statement
- 3 (Attachment 1 of this Schedule) and summarized below.
- 4

| Balances at April 30, 2011 | Amount     |
|----------------------------|------------|
| 1555 - Captial             | \$4,828.80 |
| 1555 – Recoveries          | \$-449.21  |
| TOTAL                      | \$4,379.59 |

5

- 6 Reconciliation of the balance proposed for disposition and revenues collected from
- 7 smart meter funding adders is shown in the table below

| Account 1555                                              | Amount    |
|-----------------------------------------------------------|-----------|
| Revenue Collected from funding adders                     | \$64,826  |
| Carrying Charges                                          | \$-4,379  |
| Proposed Account Balance Recoveries                       | \$-60,533 |
| Difference (due to slight difference between how          |           |
| Deloitte and Touch calculated the interest vs RateMaker). | \$86      |

8

9

<sup>&</sup>lt;sup>2</sup> Exhibit 9, Tab 2, Schedule 2

|                                                                                          |                                                   | 2008                                                                                                |                                                  |             |             |                                                  |                                     |                                                  |                                                    |                                                   |  |  |  |
|------------------------------------------------------------------------------------------|---------------------------------------------------|-----------------------------------------------------------------------------------------------------|--------------------------------------------------|-------------|-------------|--------------------------------------------------|-------------------------------------|--------------------------------------------------|----------------------------------------------------|---------------------------------------------------|--|--|--|
| Account Descriptions                                                                     | Opening<br>Principal<br>Amounts as<br>of Jan-1-08 | Transactions<br>Debit /<br>(Credit)<br>during 2008<br>excluding<br>interest and<br>adjustments<br>6 | Board-<br>Approved<br>Disposition<br>during 2008 |             |             | Opening<br>Interest<br>Amounts as<br>of Jan-1-08 | Interest Jan-<br>1 to Dec-31-<br>08 | Board-<br>Approved<br>Disposition<br>during 2008 | Adjustments<br>during 2008 -<br>other <sup>3</sup> | Closing<br>Interest<br>Amounts as<br>of Dec-31-08 |  |  |  |
| Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital                 | \$0.00                                            |                                                                                                     |                                                  | \$1,185.86  | \$1,185.86  | \$0.00                                           |                                     |                                                  | \$62.52                                            | \$62.52                                           |  |  |  |
| Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries              | \$0.00                                            |                                                                                                     |                                                  | -\$9,040.02 | -\$9,040.02 | \$0.00                                           |                                     |                                                  | -\$510.55                                          | -\$510.55                                         |  |  |  |
| Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter<br>Costs | \$0.00                                            |                                                                                                     |                                                  |             | \$0.00      | \$0.00                                           |                                     |                                                  |                                                    | \$0.00                                            |  |  |  |

|                           |        |                             |                                   |         | 20 | 08                                               |                                     |          |       |  |
|---------------------------|--------|-----------------------------|-----------------------------------|---------|----|--------------------------------------------------|-------------------------------------|----------|-------|--|
|                           |        | interest and<br>adjustments | Board-<br>Approved<br>Disposition | othor " |    | Opening<br>Interest<br>Amounts as<br>of Jan-1-08 | Interest Jan-<br>1 to Dec-31-<br>08 | Annroved | othor |  |
| Smart Meter OM&A Variance | \$0.00 |                             |                                   |         |    |                                                  |                                     |          |       |  |

|                                                                                          |                                                   |              |                                                  |                                                    | 20           | 09                                               |                                     |                                                  |                                                    |                                                   |
|------------------------------------------------------------------------------------------|---------------------------------------------------|--------------|--------------------------------------------------|----------------------------------------------------|--------------|--------------------------------------------------|-------------------------------------|--------------------------------------------------|----------------------------------------------------|---------------------------------------------------|
| Account Descriptions                                                                     | Opening<br>Principal<br>Amounts as<br>of Jan-1-09 |              | Board-<br>Approved<br>Disposition<br>during 2009 | Adjustments<br>during 2009 -<br>other <sup>3</sup> | Dringing     | Opening<br>Interest<br>Amounts as<br>of Jan-1-09 | Interest Jan-<br>1 to Dec-31-<br>09 | Board-<br>Approved<br>Disposition<br>during 2009 | Adjustments<br>during 2009 -<br>other <sup>3</sup> | Closing<br>Interest<br>Amounts as<br>of Dec-31-09 |
| Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital                 | \$1,185.86                                        | \$185,268.00 |                                                  |                                                    | \$186,453.86 | \$62.52                                          | \$44.30                             |                                                  |                                                    | \$106.82                                          |
| Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries              | -\$9,040.02                                       | -\$10,623.56 |                                                  |                                                    | -\$19,663.58 | -\$510.55                                        | -\$359.20                           |                                                  |                                                    | -\$869.75                                         |
| Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter<br>Costs | \$0.00                                            |              |                                                  |                                                    | \$0.00       | \$0.00                                           |                                     |                                                  |                                                    | \$0.00                                            |

|                           |                                                   |                             |                                                  |         | 20                                      | 09          |                                     |                                        |                                                    |                            |
|---------------------------|---------------------------------------------------|-----------------------------|--------------------------------------------------|---------|-----------------------------------------|-------------|-------------------------------------|----------------------------------------|----------------------------------------------------|----------------------------|
|                           | Opening<br>Principal<br>Amounts as<br>of Jan-1-09 | interest and<br>adjustments | Board-<br>Approved<br>Disposition<br>during 2009 | other " | Principal<br>Balance as of<br>Dec-31-09 | of Jan-1-09 | Interest Jan-<br>1 to Dec-31-<br>09 | Approved<br>Disposition<br>during 2009 | Adjustments<br>during 2009 -<br>other <sup>3</sup> | Amounts as<br>of Dec-31-09 |
| Smart Meter OM&A Variance |                                                   | \$4,306.00                  |                                                  |         | \$4,306.00                              |             | \$0.00                              |                                        |                                                    | \$0.00                     |

|                                                                                          |                                                   |                                                                                                     |                                                  |                                                             | 20                                                 | 10        |                                     |                                                    |                                                   |
|------------------------------------------------------------------------------------------|---------------------------------------------------|-----------------------------------------------------------------------------------------------------|--------------------------------------------------|-------------------------------------------------------------|----------------------------------------------------|-----------|-------------------------------------|----------------------------------------------------|---------------------------------------------------|
| Account Descriptions                                                                     | Opening<br>Principal<br>Amounts as<br>of Jan-1-10 | Transactions<br>Debit /<br>(Credit)<br>during 2010<br>excluding<br>interest and<br>adjustments<br>6 | Board-<br>Approved<br>Disposition<br>during 2010 | Other <sup>3</sup><br>Adjustments<br>during Q1 -<br>Q4 2010 | Closing<br>Principal<br>Balance as of<br>Dec-31-10 |           | Interest Jan-<br>1 to Dec-31-<br>10 | Adjustments<br>during 2010 -<br>other <sup>3</sup> | Closing<br>Interest<br>Amounts as<br>of Dec-31-10 |
| Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital                 | \$186,453.86                                      | \$4,268.00                                                                                          |                                                  |                                                             | \$190,721.86                                       | \$106.82  | \$1,550.98                          |                                                    | \$1,657.80                                        |
| Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries              | -\$19,663.58                                      | -\$14,304.17                                                                                        |                                                  |                                                             | -\$33,967.75                                       | -\$869.75 | -\$218.46                           |                                                    | -\$1,088.21                                       |
| Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter<br>Costs | \$0.00                                            |                                                                                                     |                                                  |                                                             | \$0.00                                             | \$0.00    |                                     |                                                    | \$0.00                                            |

|                           |            |                             |                                                  | 20                         | 10          |         |                                        |       |                                                   |
|---------------------------|------------|-----------------------------|--------------------------------------------------|----------------------------|-------------|---------|----------------------------------------|-------|---------------------------------------------------|
| Account Descriptions      |            | interest and<br>adjustments | Board-<br>Approved<br>Disposition<br>during 2010 | Balance as of<br>Dec-31-10 | of Jan-1-10 | 10      | Approved<br>Disposition<br>during 2010 | othor | Closing<br>Interest<br>Amounts as<br>of Dec-31-10 |
| Smart Meter OM&A Variance | \$4,306.00 | \$16,420.00                 |                                                  | \$20,726.00                | \$0.00      | \$27.00 |                                        |       | \$28.00                                           |

|                                                                                          |                                                   | 2011                                                                                                |                                   |                                                            |              |                                                  |                                     |  |                                                    |                                                   |
|------------------------------------------------------------------------------------------|---------------------------------------------------|-----------------------------------------------------------------------------------------------------|-----------------------------------|------------------------------------------------------------|--------------|--------------------------------------------------|-------------------------------------|--|----------------------------------------------------|---------------------------------------------------|
| Account Descriptions                                                                     | Opening<br>Principal<br>Amounts as<br>of Jan-1-11 | Transactions<br>Debit /<br>(Credit)<br>during 2011<br>excluding<br>interest and<br>adjustments<br>6 | Board-<br>Approved<br>Disposition | Other <sup>3</sup><br>Adjustments<br>during Q1 -Q4<br>2011 |              | Opening<br>Interest<br>Amounts as<br>of Jan-1-11 | Interest Jan-<br>1 to Dec-31-<br>11 |  | Adjustments<br>during 2011 -<br>other <sup>3</sup> | Closing<br>Interest<br>Amounts as<br>of Dec-31-11 |
| Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital                 | \$190,721.86                                      | \$20,679.00                                                                                         |                                   | -\$211,402.00                                              | -\$1.14      | \$1,657.80                                       | \$3,171.00                          |  |                                                    | \$4,828.80                                        |
| Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries              | -\$33,967.75                                      | -\$21,013.00                                                                                        |                                   |                                                            | -\$54,980.75 | -\$1,088.21                                      | \$639.00                            |  |                                                    | -\$449.21                                         |
| Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter<br>Costs | \$0.00                                            |                                                                                                     |                                   |                                                            | \$0.00       | \$0.00                                           |                                     |  |                                                    | \$0.00                                            |

|                           |             |                             |             |              | 20 <sup>-</sup> | 11          |          |                                        |         |                                        |
|---------------------------|-------------|-----------------------------|-------------|--------------|-----------------|-------------|----------|----------------------------------------|---------|----------------------------------------|
|                           |             | interest and<br>adjustments | during 2011 |              | Dec-31-11       | of Jan-1-11 | 11       | Approved<br>Disposition<br>during 2011 | othor " | Interest<br>Amounts as<br>of Dec-31-11 |
| Smart Meter OM&A Variance | \$20,726.00 | \$16,759.00                 |             | -\$38,386.00 | \$901.00        | \$28.00     | \$470.00 |                                        |         | \$470.00                               |

|                                                                                          |                                                   |             |                                                  |                                                           | 20                                                 | 12                                               |                                     |                                                  |                                                    |                                                   |
|------------------------------------------------------------------------------------------|---------------------------------------------------|-------------|--------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------|--------------------------------------------------|-------------------------------------|--------------------------------------------------|----------------------------------------------------|---------------------------------------------------|
| Account Descriptions                                                                     | Opening<br>Principal<br>Amounts as<br>of Jan-1-12 |             | Board-<br>Approved<br>Disposition<br>during 2012 | Other <sup>3</sup><br>Adjustments<br>during Q1-Q4<br>2012 | Closing<br>Principal<br>Balance as of<br>Dec-31-12 | Opening<br>Interest<br>Amounts as<br>of Jan-1-12 | Interest Jan-<br>1 to Dec-31-<br>12 | Board-<br>Approved<br>Disposition<br>during 2012 | Adjustments<br>during 2012 -<br>other <sup>3</sup> | Closing<br>Interest<br>Amounts as<br>of Dec-31-12 |
| Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital                 | -\$1.14                                           |             |                                                  |                                                           | -\$1.14                                            | \$4,828.80                                       |                                     |                                                  |                                                    | \$4,828.80                                        |
| Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries              | -\$54,980.75                                      | -\$8,112.00 |                                                  |                                                           | -\$63,092.75                                       | -\$449.21                                        | \$291.90                            |                                                  |                                                    | -\$157.31                                         |
| Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter<br>Costs | \$0.00                                            |             |                                                  |                                                           | \$0.00                                             | \$0.00                                           |                                     |                                                  |                                                    | \$0.00                                            |

|                           |          |                             |                                                  |                                                           | 20                         | 12          |    |                                                    |                            |
|---------------------------|----------|-----------------------------|--------------------------------------------------|-----------------------------------------------------------|----------------------------|-------------|----|----------------------------------------------------|----------------------------|
|                           |          | interest and<br>adjustments | Board-<br>Approved<br>Disposition<br>during 2012 | Other <sup>3</sup><br>Adjustments<br>during Q1-Q4<br>2012 | Balance as of<br>Dec-31-12 | of Jan-1-12 | 12 | Adjustments<br>during 2012 -<br>other <sup>3</sup> | Amounts as<br>of Dec-31-12 |
| Smart Meter OM&A Variance | \$901.00 |                             |                                                  |                                                           | \$901.00                   | \$470.00    |    |                                                    | \$470.00                   |

Suite 600, 34 King Street East Toronto, Ontario M5C 2X8 Fax: (416) 348-9930 web: elenchus.ca & cerise.info Martin Benum Tel: (416) 640-0929 mbenum@elenchus.ca

# elenchus

September 28, 2011

Rene Beaulne Manager/CEO Hydro 2000 Inc. 265 St. Philippe Street, P.O. Box 370 Alfred, ON K0B 1A0

#### Re: 2006 to 2012 LRAM Report

Dear Rene:

Elenchus is pleased to attach the 2006 to 2012 LRAM Report For Hydro 2000 Inc. for inclusion in your 2012 IRM3 Rate Application.

Elenchus concludes that Hydro 2000 Inc.'s electricity rates should be adjusted to reflect an LRAM claim of \$13,512.26

Thank you for allowing Elenchus to be of service. Please contact me should you have any questions about this report.

Yours Truly,

Benen

Martin Benum Senior Consultant



## 2006 to 2012 LRAM REPORT

Prepared on: September 28, 2011

### **Prepared for:**

Hydro 2000 Inc. 265 St. Philippe Street, P.O. Box 370 Alfred, ON K0B 1A0 This document was prepared for Hydro 2000 Inc.

by Elenchus Research Associates Inc.

For additional information regarding this document please contact:

Elenchus Research Associates Inc. 34 King Street East, Suite 600 Toronto, Ontario M5C 2X8 Tel: 416 532-4333

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September 28, 2011

Hydro 2000 Inc. 2006 to 2012 LRAM Report September 28, 2011 Exhibit 1

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# Exhibit 1 LRAM REPORT

Hydro 2000 Inc. 2006 to 2012 LRAM Report September 28, 2011 Exhibit 1 Tab1

# **L**elenchus

## Exhibit 1

## Tab 1 of 3

## **Report**



### **Report Contents**

| Title                              | Exhibit | Tab | Schedule | Attachment | Number |
|------------------------------------|---------|-----|----------|------------|--------|
| Cover Letter                       |         |     |          |            |        |
| Cover Sheet                        |         |     |          |            |        |
| LRAM REPORT                        | 1       |     |          |            |        |
| Report                             | 1       | 1   |          |            |        |
| Table of Contents                  | 1       | 1   | 1        |            |        |
| Executive Review                   | 1       | 1   | 2        |            |        |
| Introduction                       | 1       | 1   | 3        |            |        |
| Assumptions                        | 1       | 1   | 4        |            |        |
| LRAM Recommendations               | 1       | 1   | 5        |            |        |
| Works Sited and Referenced         | 1       | 1   | 6        |            |        |
| Tables                             | 1       | 2   |          |            |        |
| Input Tables OPA Results           | 1       | 2   | 1        |            |        |
| OPA Results                        | 1       | 2   | 1        | 1          |        |
| OPA Results Net kWh                | 1       | 2   | 1        | 1          | 1      |
| OPA Results kWh Net Adjusted for   | 1       | 2   | 1        | 1          | 2      |
| April 30, 2012                     |         |     |          |            |        |
| OPA Results Net kW                 | 1       | 2   | 1        | 1          | 3      |
| OPA Results Net kW Adjusted for    | 1       | 2   | 1        | 1          | 4      |
| April 30, 2012                     |         |     |          |            |        |
| Output Tables LRAM Calculations    | 1       | 2   | 2        |            |        |
| LRAM Calculations                  | 1       | 2   | 2        | 1          |        |
| Residential                        | 1       | 2   | 2        | 1          | 1      |
| General Service Less Than 50 kW    | 1       | 2   | 2        | 1          | 2      |
| General Service Greater than 50 kW | 1       | 2   | 2        | 1          | 3      |
| Elenchus Personnel                 | 1       | 3   |          |            |        |
| Elenchus Regulatory Solutions      | 1       | 3   | 1        |            |        |
| Consultants                        |         |     |          |            |        |



## 1 Executive Review

2

3 The Ontario Energy Board (OEB) Guidelines for Electricity Distributor Conservation and Demand Management (EB-2008-0037) permit Hydro 2000 Inc. to make application for 4 5 recovery of lost revenue that results from the successful operation of CDM initiatives 6 within its boundaries. A third-party review of that recovery claim is required and is the 7 subject of this report. 8 9 Elenchus Research Associates Inc. (Elenchus) acted as the third party reviewer. Personnel 10 details can be found in Tab 3 Schedule 1. 11 12 The third party review included Hydro 2000 Inc.'s CDM activities from 2006 through 2010. 13 consisting of programs initiated by the Ontario Power Authority (OPA) only. There is no claim for activity related to 2005 to 2009 Third Tranche of Market Adjustment Revenue 14 15 Requirement (MARR) funding or post-Third Tranche funding. 16 The LRAM claim, correspondingly, includes energy and demand savings that result from 17 those 2006 – 2010 programs, some of which continue through to the end of the filing 18 19 period, which is April 30, 2012. 20 21 There has been no previous LRAM application by Hydro 2000 Inc. 22 23 Total net energy savings for which LRAM is being claimed amount to over 1.5 GWh in the 24 residential rate class and 0.1 GWh in the GS < 50 kW rate class. Summer peak demand savings in the GS 50 to 4,999 kW rate class totaled approximately 0.3 MW. 25 26 27 Elenchus concludes that Hydro 2000 Inc.'s electricity rates should be adjusted to reflect an 28 LRAM claim of \$13,512.26 29

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Hydro 2000 Inc. 2006 to 2012 LRAM Report September 28, 2011 Exhibit 1 Tab1 Schedule 3 Page 1 of 2

## Introduction

2

The Lost Revenue Adjustment Mechanism (LRAM) is designed to ensure that Local
Distribution Companies (LDC) "remain whole" despite the lower consumption levels that
are, by design, the result of successful conservation and demand management initiatives.
There should not be a disincentive for LDC's to encourage energy efficiency and energy
conservation efforts. Therefore, an LDC is compensated for these lost revenues.

9 This claim for lost revenue (LRAM) respects the process outlined in the March 28, 2008
10 OEB Guidelines for Electricity Distributor Conservation and Demand Management EB-

11 2008-0037) ("CDM Guidelines") for rate-based applications to recover revenues lost to 12 customer energy conservation.

13

The LRAM calculation is based on the sum of the electricity savings over the period of the
claim, which are then valued at the appropriate distribution rate depending on the timing
(year) of the savings and to which rate class they belonged.

17

The savings themselves are the product of an energy program evaluation process, often
referred to as Evaluation, Measurement and Verification (EM&V). Fortunately, in the case
of this claim, all savings estimates are for OPA programs and are provided by the OPA.

21

These savings estimates include persistence—the installation of energy conservation measures whose savings that last past the initial year that they are installed. A four-year program that installed 10 widgets per year with a savings of 1,000 kWh each would result in the following savings profile if the widgets lasted 4 or more years (which is common):

26 27

Example Savings Profile Showing Effect of Persistence

| Year | In-Year Savings (kWh) | Cumulative Savings (kWh) |
|------|-----------------------|--------------------------|
| 1    | 10,000                | 10,000                   |
| 2    | 20,000                | 30,000                   |
| 3    | 30,000                | 60,000                   |
| 4    | 40,000                | 100,000                  |

28

The OPA designed and delivered some initial programs in 2006 and 2007, but then set-out

30 to build a portfolio of programs to address a broad cross-section of customer types that

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1 would run from 2008 to 2010. This latter time frame corresponds to an Ontario goal of 2 shaving 1,350 MW from the electricity system in the province. Savings from these 3 programs typically follow a pattern similar to the one illustrated in the table above. Energy 4 program evaluations determine the energy and demand savings estimates to a reasonable 5 degree of accuracy and also determine the persistence including patterns, or effective 6 useful life (EUL) of new measures being installed and the remaining useful life (RUL) of 7 measures being replaced. It is assumed that the tables provided to each LDC, Hydro 2000 8 Inc., by the OPA contain accurate interpretations and transcriptions of the results from 9 those evaluations (available on the OPA Website).

10

There are "gross" savings and "net" savings for energy efficiency programs. 11 OPA documentation details the differences between these two, and both are provided to LDC's 12 by the OPA, but for the purposes of this LRAM claim only "net" savings are utilized. Net 13 savings are determined to be those savings that would not have occurred unless the energy 14 They are not natural conservation or savings that 15 efficiency program was running. someone could claim would have occurred anyway. They do not include savings from "free 16 17 riders."

18

Some energy efficiency programs are operated at a province-wide scale. These include some behavioural-based programs and some residential/consumer-orientated initiatives like discount coupons. In certain of these cases, savings are apportioned to LDC's by the OPA rather than an attempt made to track individual transactions (which is sometimes

- 23 impossible).
- 24

The savings claimed by Hydro 2000 Inc. are therefore the net energy and demand savings that can be attributed to the programs and initiatives that operated in Hydro 2000 Inc.

territory during the 2006-2010 period and as apportioned to Hydro 2000 Inc. by the OPA

- 28 according to its established formulae.
- 29



Hydro 2000 Inc. 2006 to 2012 LRAM Report September 28, 2011 Exhibit 1 Tab1 Schedule 4 Page 1 of 1

## Assumptions

| 2      |                                                                                                                             |
|--------|-----------------------------------------------------------------------------------------------------------------------------|
| 3<br>4 | This report for Hydro 2000 Inc. was created with the following assumptions that are often peculiar to the 2006-2010 period: |
| 4<br>5 | peculiar to the 2000-2010 period.                                                                                           |
| 6      | • "Consumer" kWh classified as the Residential rate class                                                                   |
| 7      | • "Business" and/or "Industrial" kWh classified as General Service <50 kW because                                           |
| 8      | larger industrial projects were not yet part of the program mix by the end of 2010                                          |
| 9      | <ul> <li>"Consumer" kW savings were omitted because they are immaterial</li> </ul>                                          |
| 10     | <ul> <li>Designated "business and industrial" kW classified as General Service&gt;50 kW</li> </ul>                          |
| 11     | because it consists primarily of Demand Response initiatives utilized by large                                              |
| 12     | industrial participants                                                                                                     |
| 13     |                                                                                                                             |



## 1 LRAM Recommendations

2

During the period of the LRAM claim, total net energy savings for which LRAM is being
claimed amount to over 1.5 GWh in the residential rate class and 0.1 GWh in the GS < 50</li>
kW rate class. Summer peak demand savings in the GS 50 to 4,999 kW rate class totaled
approximately 0.3 MW.

8 Elenchus has concluded that Hydro 2000 Inc. can justifiably claim \$13,512.26 in LRAM,9 allocated by rate class as shown in the table below.

10 11

7

| 11       | Customer Class                  | Savings | LRAM        |
|----------|---------------------------------|---------|-------------|
| 12<br>13 | Residential                     | 1,5 GWh | \$12,474.91 |
| 14       | General Service Less Than 50 kW | 0.1 GWH | \$407.50    |
|          | General Service 50 to 4,999 kW  | 0.3 MW  | \$629.85    |
|          | Total                           |         | \$13,512.26 |

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## Works Sited and Referenced

- OPA Estimated allocation of 2006-2009 provincial conservation results to Local Distribution Company service territories - update to December 2010 report January 24, 2011
  - 2006-2009 Final OPA CDM Results-Update Hydro 2000 Inc..xls
- 2. OPA Final 2010 CDM Summary Results September 16, 2011
  - 2010 Final CDM Results Summary\_Hydro 2000 Inc..xlsx
- OEB Conservation and Demand Management Code for Electricity Distributors Issued: September 16, 2010



Hydro 2000 Inc. 2006 to 2012 LRAM Report September 28, 2011 Exhibit 1 Tab2

## Exhibit 1

## Tab 2 of 3

**Tables** 

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## Input Tables OPA Results

- 1. Table One OPA Results Net kWh
- 2. Table Two OPA Results Net kWh Adjusted to April 30, 2012
- 3. Table Three OPA Results Net kW
- 4. Table Four OPA Results Net kW Adjusted to April 30, 2012

### Table One - OPA Results Net kWh

| #   | Initiative Name                           | Program Name         | Program Year | Results Status 200 | 6 2007  | 2008    | 2009    | 2010    | 2011    | 2012    |         | Total     |
|-----|-------------------------------------------|----------------------|--------------|--------------------|---------|---------|---------|---------|---------|---------|---------|-----------|
| 1   | Secondary Refrigerator Retirement Pilot   | Consumer             | 2006         | Final              | 2,113   | 2,113   | 2,113   | 2,113   | 2,113   | 2,113   | -       | 12,677    |
| 2   | Cool & Hot Savings Rebate                 | Consumer             | 2006         | Final              | 5,216   | 5,216   | 5,216   | 5,216   | 5,216   | 5,216   | 5,216   | 36,510    |
| 3   | Every Kilowatt Counts                     | Consumer             | 2006         | Final              | 135,335 | 135,335 | 135,335 | 135,335 | 17,449  | 17,449  | 17,449  | 593,688   |
| 6   | Great Refrigerator Roundup                | Consumer             | 2007         | Final              | -       | 2,278   | 2,278   | 2,278   | 2,278   | 2,278   | 2,278   | 13,671    |
| 7   | Cool & Hot Savings Rebate                 | Consumer             | 2007         | Final              | -       | 7,986   | 7,986   | 7,986   | 7,986   | 7,986   | 7,607   | 47,535    |
| 8   | Every Kilowatt Counts                     | Consumer             | 2007         | Final              | -       | 47,869  | 47,283  | 47,283  | 47,283  | 47,283  | 45,669  | 282,671   |
| 10  | Summer Savings                            | Consumer             | 2007         | Final              | -       | 38,544  | 6,497   | 2,459   | 2,459   | 2,459   | 2,459   | 54,876    |
| 13  | Social Housing Pilot                      | Consumer Low-Income  | 2007         | Final              | -       | 4,351   | 4,351   | 4,351   | 4,351   | 4,351   | 4,351   | 26,104    |
| 20  | Great Refrigerator Roundup                | Consumer             | 2008         | Final              | -       | -       | 5,517   | 5,517   | 5,517   | 5,517   | 5,446   | 27,516    |
| 21  | Cool Savings Rebate                       | Consumer             | 2008         | Final              | -       | -       | 8,809   | 8,809   | 8,809   | 8,809   | 8,809   | 44,047    |
| 22  | Every Kilowatt Counts Power Savings Event | Consumer             | 2008         | Final              | -       | -       | 44,719  | 44,524  | 44,524  | 44,524  | 37,791  | 216,081   |
| 27  | High Performance New Construction         | Business             | 2008         | Final              | -       | -       | 36      | 36      | 36      | 36      | 36      | 180       |
| 35  | Great Refrigerator Roundup                | Consumer             | 2009         | Final              | -       | -       | -       | 1,765   | 1,765   | 1,765   | 1,765   | 7,058     |
| 36  | Cool Savings Rebate                       | Consumer             | 2009         | Final              | -       | -       | -       | 11,586  | 11,586  | 11,586  | 11,544  | 46,302    |
| 37  | Every Kilowatt Counts Power Savings Event | Consumer             | 2009         | Final              | -       | -       | -       | 20,146  | 19,310  | 19,310  | 19,309  | 78,074    |
| 41  | High Performance New Construction         | Business             | 2009         | Final              | -       | -       | -       | 1,136   | 1,136   | 1,136   | 1,136   | 4,545     |
| 44  | Demand Response 1                         | Business, Industrial | 2009         | Final              | -       | -       | -       | 989     | -       | -       | -       | 989       |
| 45  | Demand Response 2                         | Business, Industrial | 2009         | Final              | -       | -       | -       | 9,411   | -       | -       | -       | 9,411     |
| 46  | Demand Response 3                         | Business, Industrial | 2009         | Final              | -       | -       | -       | 180     | -       | -       | -       | 180       |
| 101 | Cool Savings Rebate                       | Consumer             | 2010         | Final              | -       | -       | -       | -       | 876     | 876     | 876     | 2,628     |
| 102 | Every Kilowatt Counts Power Savings Event | Consumer             | 2010         | Final              | -       | -       | -       | -       | 7,015   | 7,015   | 7,015   | 21,045    |
| 107 | High Performance New Construction*        | Business             | 2010         | Final              | -       | -       | -       | -       | 3,568   | 3,568   | 3,568   | 10,704    |
| 109 | Multifamily Energy Efficiency Rebates     | Business             | 2010         | Final              | -       | -       | -       | -       | 1,105   | 1,105   | 1,105   | 3,316     |
| 112 | Demand Response 3                         | Business, Industrial | 2010         | Final              | -       | -       | -       | -       | 598     | -       | -       | 598       |
| 114 | Demand Response 2                         | Business, Industrial | 2010         | Final              | -       | -       | -       | -       | 16,862  | -       | -       | 16,862    |
|     |                                           |                      |              |                    | 142,664 | 243,691 | 270,140 | 311,120 | 211,841 | 194,382 | 183,429 | 1,557,266 |

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## Table Two - OPA Results Net kWh Adjusted to April 30, 2012

| #   | Initiative Name                           | Program Name         | Program Year | Results Status | 2006 2007 | 2008    | 2009    | 2010    | 201     | 1 2012  |        | Total     |
|-----|-------------------------------------------|----------------------|--------------|----------------|-----------|---------|---------|---------|---------|---------|--------|-----------|
| 1   | Secondary Refrigerator Retirement Pilot   | Consumer             | 2006         | Final          | 2,113     | 2,113   | 2,113   | 2,113   | 2,113   | 2,113   | -      | 12,677    |
| 2   | Cool & Hot Savings Rebate                 | Consumer             | 2006         | Final          | 5,216     | 5,216   | 5,216   | 5,216   | 5,216   | 5,216   | 1,739  | 36,510    |
| 3   | Every Kilowatt Counts                     | Consumer             | 2006         | Final          | 135,335   | 135,335 | 135,335 | 135,335 | 17,449  | 17,449  | 5,816  | 593,688   |
| 6   | Great Refrigerator Roundup                | Consumer             | 2007         | Final          | -         | 2,278   | 2,278   | 2,278   | 2,278   | 2,278   | 759    | 13,671    |
| 7   | Cool & Hot Savings Rebate                 | Consumer             | 2007         | Final          | -         | 7,986   | 7,986   | 7,986   | 7,986   | 7,986   | 2,536  | 47,535    |
| 8   | Every Kilowatt Counts                     | Consumer             | 2007         | Final          | -         | 47,869  | 47,283  | 47,283  | 47,283  | 47,283  | 15,223 | 282,671   |
| 10  | Summer Savings                            | Consumer             | 2007         | Final          | -         | 38,544  | 6,497   | 2,459   | 2,459   | 2,459   | 820    | 54,876    |
| 13  | Social Housing Pilot                      | Consumer Low-Income  | 2007         | Final          | -         | 4,351   | 4,351   | 4,351   | 4,351   | 4,351   | 1,450  | 26,104    |
| 20  | Great Refrigerator Roundup                | Consumer             | 2008         | Final          | -         | -       | 5,517   | 5,517   | 5,517   | 5,517   | 1,815  | 27,516    |
| 21  | Cool Savings Rebate                       | Consumer             | 2008         | Final          | -         | -       | 8,809   | 8,809   | 8,809   | 8,809   | 2,936  | 44,047    |
| 22  | Every Kilowatt Counts Power Savings Event | Consumer             | 2008         | Final          | -         | -       | 44,719  | 44,524  | 44,524  | 44,524  | 12,597 | 216,081   |
| 27  | High Performance New Construction         | Business             | 2008         | Final          | -         | -       | 36      | 36      | 36      | 36      | 12     | 180       |
| 35  | Great Refrigerator Roundup                | Consumer             | 2009         | Final          | -         | -       | -       | 1,765   | 1,765   | 1,765   | 588    | 7,058     |
| 36  | Cool Savings Rebate                       | Consumer             | 2009         | Final          | -         | -       | -       | 11,586  | 11,586  | 11,586  | 3,848  | 46,302    |
| 37  | Every Kilowatt Counts Power Savings Event | Consumer             | 2009         | Final          | -         | -       | -       | 20,146  | 19,310  | 19,310  | 6,436  | 78,074    |
| 41  | High Performance New Construction         | Business             | 2009         | Final          | -         | -       | -       | 1,136   | 1,136   | 1,136   | 379    | 4,545     |
| 44  | Demand Response 1                         | Business, Industrial | 2009         | Final          | -         | -       | -       | 989     | -       | -       | -      | 989       |
| 45  | Demand Response 2                         | Business, Industrial | 2009         | Final          | -         | -       | -       | 9,411   | -       | -       | -      | 9,411     |
| 46  | Demand Response 3                         | Business, Industrial | 2009         | Final          | -         | -       | -       | 180     | -       | -       | -      | 180       |
| 101 | Cool Savings Rebate                       | Consumer             | 2010         | Final          | -         | -       | -       | -       | 876     | 876     | 292    | 2,628     |
| 102 | Every Kilowatt Counts Power Savings Event | Consumer             | 2010         | Final          | -         | -       | -       | -       | 7,015   | 7,015   | 2,338  | 21,045    |
| 107 | High Performance New Construction*        | Business             | 2010         | Final          | -         | -       | -       | -       | 3,568   | 3,568   | 1,189  | 10,704    |
| 109 | Multifamily Energy Efficiency Rebates     | Business             | 2010         | Final          | -         | -       | -       | -       | 1,105   | 1,105   | 368    | 3,316     |
| 112 | Demand Response 3                         | Business, Industrial | 2010         | Final          | -         | -       | -       | -       | 598     | -       | -      | 598       |
| 114 | Demand Response 2                         | Business, Industrial | 2010         | Final          | -         | -       | -       | -       | 16,862  | -       | -      | 16,862    |
|     |                                           |                      |              |                | 142,664   | 243,691 | 270,140 | 311,120 | 211,841 | 194,382 | 61,143 | 1,557,266 |

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### Table Three - OPA Results Net kW

| #   | Initiative Name Program Name             | Program Year | <b>Results Status</b> | 2006 200 | 7 200 | 8 2009 | 2010 | 2011 | 2012 |    | Total |
|-----|------------------------------------------|--------------|-----------------------|----------|-------|--------|------|------|------|----|-------|
| 1   | Secondary Refrigera Consumer             | 2006         | Final                 | 0        | 0     | 0      | 0    | 0    | 0    | -  | 3     |
| 2   | Cool & Hot Savings F Consumer            | 2006         | Final                 | 5        | 5     | 5      | 5    | 5    | 5    | 5  | 34    |
| 3   | Every Kilowatt Coun Consumer             | 2006         | Final                 | 2        | 2     | 2      | 2    | 2    | 2    | 2  | 11    |
| 4   | Demand Response 1 Business, Industrial   | 2006         | Final                 | 35       | -     | -      | -    | -    | -    | -  | 35    |
| 5   | Loblaw & York Regic Business, Industrial | 2006         | Final                 | 2        | -     | -      | -    | -    | -    | -  | 2     |
| 6   | Great Refrigerator R Consumer            | 2007         | Final                 | -        | 0     | 0      | 0    | 0    | 0    | 0  | 2     |
| 7   | Cool & Hot Savings F Consumer            | 2007         | Final                 | -        | 5     | 5      | 5    | 5    | 5    | 5  | 32    |
| 8   | Every Kilowatt Coun Consumer             | 2007         | Final                 | -        | 2     | 2      | 2    | 2    | 2    | 2  | 10    |
| 10  | Summer Savings Consumer                  | 2007         | Final                 | -        | 22    | 6      | 3    | 3    | 3    | 3  | 40    |
| 13  | Social Housing Pilot Consumer Low-Inco   | 2007         | Final                 | -        | 1     | 1      | 1    | 1    | 1    | 1  | 3     |
| 17  | Demand Response 1 Business, Industrial   | 2007         | Final                 | -        | 38    | -      | -    | -    | -    | -  | 38    |
| 18  | Loblaw & York Regic Business, Industrial | 2007         | Final                 | -        | 3     | -      | -    | -    | -    | -  | 3     |
| 20  | Great Refrigerator R Consumer            | 2008         | Final                 | -        | -     | 1      | 1    | 1    | 1    | 1  | 3     |
| 21  | Cool Savings Rebate Consumer             | 2008         | Final                 | -        | -     | 6      | 6    | 6    | 6    | 6  | 28    |
| 22  | Every Kilowatt Coun Consumer             | 2008         | Final                 | -        | -     | 2      | 2    | 2    | 2    | 2  | 12    |
| 27  | High Performance N Business              | 2008         | Final                 | -        | -     | 0      | 0    | 0    | 0    | 0  | 0     |
| 29  | Demand Response 1 Business, Industrial   | 2008         | Final                 | -        | -     | 55     | -    | -    | -    | -  | 55    |
| 30  | Demand Response 3 Business, Industrial   | 2008         | Final                 | -        | -     | 11     | -    | -    | -    | -  | 11    |
| 31  | Loblaw & York Regic Business, Industrial | 2008         | Final                 | -        | -     | 4      | -    | -    | -    | -  | 4     |
| 35  | Great Refrigerator R Consumer            | 2009         | Final                 | -        | -     | -      | 0    | 0    | 0    | 0  | 1     |
| 36  | Cool Savings Rebate Consumer             | 2009         | Final                 | -        | -     | -      | 8    | 8    | 8    | 8  | 30    |
| 37  | Every Kilowatt Coun Consumer             | 2009         | Final                 | -        | -     | -      | 2    | 2    | 2    | 2  | 8     |
| 41  | High Performance N Business              | 2009         | Final                 | -        | -     | -      | 0    | 0    | 0    | 0  | 2     |
| 44  | Demand Response 1 Business, Industrial   | 2009         | Final                 | -        | -     | -      | 23   | -    | -    | -  | 23    |
| 45  | Demand Response 2 Business, Industrial   | 2009         | Final                 | -        | -     | -      | 15   | -    | -    | -  | 15    |
| 46  | Demand Response 3 Business, Industrial   | 2009         | Final                 | -        | -     | -      | 22   | -    | -    | -  | 22    |
| 47  | Loblaw & York Regic Business, Industrial | 2009         | Final                 | -        | -     | -      | 4    | -    | -    | -  | 4     |
| 107 | High Performance N Business              | 2010         | Final                 | -        | -     | -      | -    | 2    | 2    | 2  | 5     |
| 109 | Multifamily Energy E Business            | 2010         | Final                 | -        | -     | -      | -    | 0    | 0    | 0  | 0     |
| 112 | Demand Response 3 Business, Industrial   | 2010         | Final                 | -        | -     | -      | -    | 31   | -    | -  | 31    |
| 113 | Loblaw & York Regic Business, Industrial | 2010         | Final                 | -        | -     | -      | -    | 4    | -    | -  | 4     |
| 114 | Demand Response 2 Business, Industrial   | 2010         | Final                 |          | -     | -      | -    | 14   | -    | -  | 14    |
|     |                                          |              |                       | 44       | 78    | 99     | 100  | 87   | 38   | 37 | 483   |

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## Table Four - OPA Results Net kW Adjusted to April 30, 2012

| #   | Initiative Name Program Name             | Program Year | <b>Results Status</b> | 2006 2007 | 2008 | 8 2009 | 2010 | 2011 | 2012 |   | Total |
|-----|------------------------------------------|--------------|-----------------------|-----------|------|--------|------|------|------|---|-------|
| 1   | Secondary Refrigera Consumer             | 2006         | Final                 | 0         | 0    | 0      | 0    | 0    | 0    | - | 3     |
| 2   | Cool & Hot Savings F Consumer            | 2006         | Final                 | 5         | 5    | 5      | 5    | 5    | 5    | 2 | 34    |
| 3   | Every Kilowatt Coun Consumer             | 2006         | Final                 | 2         | 2    | 2      | 2    | 2    | 2    | 1 | 11    |
| 4   | Demand Response 1 Business, Industrial   | 2006         | Final                 | 35        | -    | -      | -    | -    | -    | - | 35    |
| 5   | Loblaw & York Regic Business, Industrial | 2006         | Final                 | 2         | -    | -      | -    | -    | -    | - | 2     |
| 6   | Great Refrigerator R Consumer            | 2007         | Final                 | -         | 0    | 0      | 0    | 0    | 0    | 0 | 2     |
| 7   | Cool & Hot Savings F Consumer            | 2007         | Final                 | -         | 5    | 5      | 5    | 5    | 5    | 2 | 32    |
| 8   | Every Kilowatt Coun Consumer             | 2007         | Final                 | -         | 2    | 2      | 2    | 2    | 2    | 1 | 10    |
| 10  | Summer Savings Consumer                  | 2007         | Final                 | -         | 22   | 6      | 3    | 3    | 3    | 1 | 40    |
| 13  | Social Housing Pilot Consumer Low-Inco   | 2007         | Final                 | -         | 1    | 1      | 1    | 1    | 1    | 0 | 3     |
| 17  | Demand Response 1 Business, Industrial   | 2007         | Final                 | -         | 38   | -      | -    | -    | -    | - | 38    |
| 18  | Loblaw & York Regic Business, Industrial | 2007         | Final                 | -         | 3    | -      | -    | -    | -    | - | 3     |
| 20  | Great Refrigerator R Consumer            | 2008         | Final                 | -         | -    | 1      | 1    | 1    | 1    | 0 | 3     |
| 21  | Cool Savings Rebate Consumer             | 2008         | Final                 | -         | -    | 6      | 6    | 6    | 6    | 2 | 28    |
| 22  | Every Kilowatt Coun Consumer             | 2008         | Final                 | -         | -    | 2      | 2    | 2    | 2    | 1 | 12    |
| 27  | High Performance N Business              | 2008         | Final                 | -         | -    | 0      | 0    | 0    | 0    | 0 | 0     |
| 29  | Demand Response 1 Business, Industrial   | 2008         | Final                 | -         | -    | 55     | -    | -    | -    | - | 55    |
| 30  | Demand Response 3 Business, Industrial   | 2008         | Final                 | -         | -    | 11     | -    | -    | -    | - | 11    |
| 31  | Loblaw & York Regic Business, Industrial | 2008         | Final                 | -         | -    | 4      | -    | -    | -    | - | 4     |
| 35  | Great Refrigerator R Consumer            | 2009         | Final                 | -         | -    | -      | 0    | 0    | 0    | 0 | 1     |
| 36  | Cool Savings Rebate Consumer             | 2009         | Final                 | -         | -    | -      | 8    | 8    | 8    | 3 | 30    |
| 37  | Every Kilowatt Coun Consumer             | 2009         | Final                 | -         | -    | -      | 2    | 2    | 2    | 1 | 8     |
| 41  | High Performance N Business              | 2009         | Final                 | -         | -    | -      | 0    | 0    | 0    | 0 | 2     |
| 44  | Demand Response 1 Business, Industrial   | 2009         | Final                 | -         | -    | -      | 23   | -    | -    | - | 23    |
| 45  | Demand Response 2 Business, Industrial   | 2009         | Final                 | -         | -    | -      | 15   | -    | -    | - | 15    |
| 46  | Demand Response 3 Business, Industrial   | 2009         | Final                 | -         | -    | -      | 22   | -    | -    | - | 22    |
| 47  | Loblaw & York Regic Business, Industrial | 2009         | Final                 | -         | -    | -      | 4    | -    | -    | - | 4     |
| 107 | High Performance N Business              | 2010         | Final                 | -         | -    | -      | -    | 2    | 2    | 1 | 5     |
| 109 | Multifamily Energy E Business            | 2010         | Final                 | -         | -    | -      | -    | 0    | 0    | 0 | 0     |
| 112 | Demand Response 3 Business, Industrial   | 2010         | Final                 | -         | -    | -      | -    | 31   | -    | - | 31    |
| 113 | Loblaw & York Regic Business, Industrial | 2010         | Final                 | -         | -    | -      | -    | 4    | -    | - | 4     |
|     |                                          |              |                       |           |      |        |      |      |      |   |       |
| 114 | Demand Response 2 Business, Industrial   | 2010         | Final                 | -         | -    | -      | -    | 14   | -    | - | 14    |

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## **Output Tables LRAM Calculations**

- 1. Table Five Residential LRAM Calculation
- 2. Table Six GS Less Than 50 kW LRAM Calculation
- 3. Table Seven GS 50 to 4,999 kW LRAM Calculation

### Table Five - Residential LRAM Calculation

| # Initiative Name                             | Program Name        | Program Year | Results Status | 2006    | 2007    | 2008    | 2009    | 2010    | 2011    | 2012   | Total     |
|-----------------------------------------------|---------------------|--------------|----------------|---------|---------|---------|---------|---------|---------|--------|-----------|
| 1 Secondary Refrigerator Retirement Pilot     | Consumer            | 2006         | Final          | 2,113   | 2,113   | 2,113   | 2,113   | 2,113   | 2,113   | -      | 12,677    |
| 2 Cool & Hot Savings Rebate                   | Consumer            | 2006         | Final          | 5,216   | 5,216   | 5,216   | 5,216   | 5,216   | 5,216   | 1,739  | 36,510    |
| 3 Every Kilowatt Counts                       | Consumer            | 2006         | Final          | 135,335 | 135,335 | 135,335 | 135,335 | 17,449  | 17,449  | 5,816  | 593,688   |
| 6 Great Refrigerator Roundup                  | Consumer            | 2007         | Final          | -       | 2,278   | 2,278   | 2,278   | 2,278   | 2,278   | 759    | 13,671    |
| 7 Cool & Hot Savings Rebate                   | Consumer            | 2007         | Final          | -       | 7,986   | 7,986   | 7,986   | 7,986   | 7,986   | 2,536  | 47,535    |
| 8 Every Kilowatt Counts                       | Consumer            | 2007         | Final          | -       | 47,869  | 47,283  | 47,283  | 47,283  | 47,283  | 15,223 | 282,671   |
| 10 Summer Savings                             | Consumer            | 2007         | Final          | -       | 38,544  | 6,497   | 2,459   | 2,459   | 2,459   | 820    | 54,876    |
| 13 Social Housing Pilot                       | Consumer Low-Income | 2007         | Final          | -       | 4,351   | 4,351   | 4,351   | 4,351   | 4,351   | 1,450  | 26,104    |
| 20 Great Refrigerator Roundup                 | Consumer            | 2008         | Final          | -       | -       | 5,517   | 5,517   | 5,517   | 5,517   | 1,815  | 27,516    |
| 21 Cool Savings Rebate                        | Consumer            | 2008         | Final          | -       | -       | 8,809   | 8,809   | 8,809   | 8,809   | 2,936  | 44,047    |
| 22 Every Kilowatt Counts Power Savings Event  | Consumer            | 2008         | Final          | -       | -       | 44,719  | 44,524  | 44,524  | 44,524  | 12,597 | 216,081   |
| 35 Great Refrigerator Roundup                 | Consumer            | 2009         | Final          | -       | -       | -       | 1,765   | 1,765   | 1,765   | 588    | 7,058     |
| 36 Cool Savings Rebate                        | Consumer            | 2009         | Final          | -       | -       | -       | 11,586  | 11,586  | 11,586  | 3,848  | 46,302    |
| 37 Every Kilowatt Counts Power Savings Event  | Consumer            | 2009         | Final          | -       | -       | -       | 20,146  | 19,310  | 19,310  | 6,436  | 78,074    |
| 101 Cool Savings Rebate                       | Consumer            | 2010         | Final          | -       | -       | -       | -       | 876     | 876     | 292    | 2,628     |
| 102 Every Kilowatt Counts Power Savings Event | Consumer            | 2010         | Final          | -       | -       | -       | -       | 7,015   | 7,015   | 2,338  | 21,045    |
|                                               |                     |              |                | 142,664 | 243,691 | 270,104 | 299,368 | 188,536 | 188,536 | 59,194 | 1,510,482 |
| Residential Distribution Volumetric Rate      | \$/kWh              |              |                | 0.0085  | 0.0086  | 0.0115  | 0.0115  | 0.006   | 0.006   | 0.006  |           |

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\$ 1,212.64 \$ 2,095.74 \$ 3,106.19 \$ 3,442.73 \$ 1,131.22 \$ 1,131.22 \$ 355.17 \$ 12,474.91

### Table Six - GS Less Than 50 kW LRAM Calculation

| # Initiative Name                         | Program Name         | Program Year | Results Status | 2006   | 2007   | 2008    | 2009      | 2010      | 2011     | 2012     | Total     |
|-------------------------------------------|----------------------|--------------|----------------|--------|--------|---------|-----------|-----------|----------|----------|-----------|
| 27 High Performance New Construction      | Business             | 2008         | Final          | -      | -      | 36      | 36        | 36        | 36       | 12       | 180       |
| 41 High Performance New Construction      | Business             | 2009         | Final          | -      | -      | -       | 1,136     | 1,136     | 1,136    | 379      | 4,545     |
| 44 Demand Response 1                      | Business, Industrial | 2009         | Final          | -      | -      | -       | 989       | -         | -        | -        | 989       |
| 45 Demand Response 2                      | Business, Industrial | 2009         | Final          | -      | -      | -       | 9,411     | -         | -        | -        | 9,411     |
| 46 Demand Response 3                      | Business, Industrial | 2009         | Final          | -      | -      | -       | 180       | -         | -        | -        | 180       |
| 107 High Performance New Construction*    | Business             | 2010         | Final          | -      | -      | -       | -         | 3,568     | 3,568    | 1,189    | 10,704    |
| 109 Multifamily Energy Efficiency Rebates | Business             | 2010         | Final          | -      | -      | -       | -         | 1,105     | 1,105    | 368      | 3,316     |
| 112 Demand Response 3                     | Business, Industrial | 2010         | Final          | -      | -      | -       | -         | 598       | -        | -        | 598       |
| 114 Demand Response 2                     | Business, Industrial | 2010         | Final          | -      | -      | -       | -         | 16,862    | -        | -        | 16,862    |
|                                           |                      |              |                | -      | -      | 36      | 11,752    | 23,305    | 5,846    | 1,949    | 46,784    |
| GSLT50 Distribution Volumetric Rate       | \$/kWh               |              |                | 0.0097 | 0.0098 | 0.0132  | 0.0132    | 0.0081    | 0.0081   | 0.0081   |           |
| LRAM                                      |                      |              |                | \$-    | \$-    | \$ 0.47 | \$ 155.13 | \$ 188.77 | \$ 47.35 | \$ 15.78 | \$ 407.50 |

Hydro 2000 Inc. 2006 to 2012 LRAM Report September 29, 2011 Exhibit 1 Tab 2 Schedule 2 Attachment 1.2 Page 1 of 1

### Table Seven - GS 50 to 4,999 kW LRAM Calculation

| # Initiative Name                         | Program Name            | Program Year | Results Status | 2006   | 2007   | 2008   | 2009   | 2010   | 2011   | 2012   | Total |
|-------------------------------------------|-------------------------|--------------|----------------|--------|--------|--------|--------|--------|--------|--------|-------|
| 4 Demand Response 1                       | Business, Industrial    | 2006         | Final          | 35     | -      | -      | -      | -      | -      | -      | 35    |
| 5 Loblaw & York Region Demand Response    | e Business, Industrial  | 2006         | Final          | 2      | -      | -      | -      | -      | -      | -      | 2     |
| 17 Demand Response 1                      | Business, Industrial    | 2007         | Final          | -      | 38     | -      | -      | -      | -      | -      | 38    |
| 18 Loblaw & York Region Demand Response   | e Business, Industrial  | 2007         | Final          | -      | 3      | -      | -      | -      | -      | -      | 3     |
| 27 High Performance New Construction      | Business                | 2008         | Final          | -      | -      | 0      | 0      | 0      | 0      | 0      | 0     |
| 29 Demand Response 1                      | Business, Industrial    | 2008         | Final          | -      | -      | 55     | -      | -      | -      | -      | 55    |
| 30 Demand Response 3                      | Business, Industrial    | 2008         | Final          | -      | -      | 11     | -      | -      | -      | -      | 11    |
| 31 Loblaw & York Region Demand Response   | e Business, Industrial  | 2008         | Final          | -      | -      | 4      | -      | -      | -      | -      | 4     |
| 41 High Performance New Construction      | Business                | 2009         | Final          | -      | -      | -      | 0      | 0      | 0      | 0      | 2     |
| 44 Demand Response 1                      | Business, Industrial    | 2009         | Final          | -      | -      | -      | 23     | -      | -      | -      | 23    |
| 45 Demand Response 2                      | Business, Industrial    | 2009         | Final          | -      | -      | -      | 15     | -      | -      | -      | 15    |
| 46 Demand Response 3                      | Business, Industrial    | 2009         | Final          | -      | -      | -      | 22     | -      | -      | -      | 22    |
| 47 Loblaw & York Region Demand Response   | e Business, Industrial  | 2009         | Final          | -      | -      | -      | 4      | -      | -      | -      | 4     |
| 107 High Performance New Construction*    | Business                | 2010         | Final          | -      | -      | -      | -      | 2      | 2      | 1      | 5     |
| 109 Multifamily Energy Efficiency Rebates | Business                | 2010         | Final          | -      | -      | -      | -      | 0      | 0      | 0      | 0     |
| 112 Demand Response 3                     | Business, Industrial    | 2010         | Final          | -      | -      | -      | -      | 31     | -      | -      | 31    |
| 113 Loblaw & York Region Demand Response  | e* Business, Industrial | 2010         | Final          | -      | -      | -      | -      | 4      | -      | -      | 4     |
| 114 Demand Response 2                     | Business, Industrial    | 2010         | Final          | -      | -      | -      | -      | 14     | -      | -      | 14    |
|                                           |                         |              |                | 37     | 41     | 69     | 64     | 51     | 2      | 1      | 266   |
| GSGT50 Distribution Volumetric Rate       | \$/kWh                  |              |                | 2.3345 | 2.3555 | 2.9631 | 2.9584 | 0.9844 | 0.9881 | 0.9881 |       |

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\$85.50 \$96.86 \$205.67 \$189.04 \$49.89 \$2.17 \$0.72 \$629.85



Hydro 2000 Inc. 2006 to 2012 LRAM Report Filed: September 28, 2011 Exhibit 1 Tab3

## Exhibit 1

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## **Elenchus Personnel**

# elenchus

## 1 Elenchus Regulatory Solutions Consultants

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#### 3 John Todd, President (Lead Consultant)

John Todd is President of Elenchus Research Associates Inc. He has specialized in the theory
and practice of regulation and de-regulation for over 25 years and has actively participated in
regulatory hearings and reform initiatives in several sectors of the Canadian economy, including
natural gas, electricity and telecommunications.

John has served as an expert advisor or witness in 200 proceedings before the energy Boards in Ontario, Manitoba, British Columbia, Quebec, and Newfoundland and other tribunals including the Canadian Radio-television and Telecommunications Commission (CRTC) and the Ontario Securities Commission. His clients have included regulated utilities, regulatory agencies, generators and producers, and a variety of customer groups.

#### 13 Martin Benum, Senior Consultant (Rate Applications)

Martin has over twenty years progressive experience in the Ontario electrical industry with regulatory, LDC and Retail electricity exposure. Prior to joining Elenchus, he was an advisor in electricity rate applications with the Ontario Energy Board. He has a strong working knowledge and application experience with OEB handbook rules, regulations, and guidelines.

#### 18 Marc Collins – Director, Elenchus Energy Conservation

Energy Program Evaluation and Conservation and Demand-Side Management (CDM) professional with a very diverse career history. Founding Director of the Evaluation, Measurement and Verification (EM&V) department at the Ontario Power Authority in 2007. Marc led that function for the OPA from inception to maturity, leaving sophisticated evaluation protocols (new for 2011-14), world-class measures and assumptions lists and a portfolio of highquality evaluations to show for the effort.

- 25 Specialties:
- 26 Energy program evaluation (EM&V)
- 27 Planning and management

# E elenchus

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- 1 Protocols and standards
- 2 Impact evaluation
- 3 Process evaluation
- 4 Market effects evaluation
- 5 Cost effectiveness testing
- 6 Demand-side management programs
- 7 Demand response programs
- 8 Use of advanced IT for energy-related applications
- 9 Regulatory aspects of EM&V and DSM tracking and reporting for utilities and central agencies
- 10 Potential studies
- 11

RateMaker 2011 release 1.0 © Elenchus Research Associates

#### Hydro 2000 (ED-2002-0542) 2012 EDR Application (EB-2011-0326) version: 10 October 10, 2011

#### Calculation of LRAM Rate Rider

|                                             |           |             | General      | General         |
|---------------------------------------------|-----------|-------------|--------------|-----------------|
|                                             | Total     | Residential | Service < 50 | Service > 50 to |
|                                             |           |             | kW           | 4999 kW         |
| Lost Revenue Amount                         | 13,509.50 | 12,475.00   | 404.50       | 630.00          |
| Carrying Charges                            | -         | -           | -            | -               |
| Total                                       | 13,509.50 | 12,475.00   | 404.50       | 630.00          |
| Recovery Period (Years)                     | 1.00      |             |              |                 |
| Annualized Amount                           |           | 12,475      | 405          | 630             |
| Annual Volume                               |           | 14,703,667  | 4,712,132    | 11,949          |
| Charge Parameter                            |           | kWh         | kWh          | kW              |
| Rate Rider                                  |           | \$0.0008    | \$0.0001     | \$0.0527        |
|                                             |           |             |              |                 |
| Rate Rider proceeds                         |           | 11,762.93   | 471.21       | 629.71          |
| Amount to be disposed of in a future period | 1         | (712.07)    | 66.71        | (0.29)          |