Waterloo North Hydro Inc.
Distribution Rate Adjustment Application

SUMMARY OF APPLICATION

EB-2011-0201 / ED-2002-0575

IN THE MATTER OF the Ontario Energy Board Act, 1998, S. O. 1998, c. 15, Schedule B of the Energy Competition Act, 1998:

AND IN THE MATTER OF an Application by Waterloo North Hydro Inc. for an order approving just and reasonable rates as set out in this Application in accordance with the Ontario Energy Board's Filing Guidelines for the Adjustments of the Electricity Distribution Rates and PILs for May 1, 2012 Distribution Rate Adjustments and PILs, issued for revised models and instructions on August 26, 2011, September 13, 2011 and October 19, 2011 and in accordance with June 22, 2011 Chapter 3 of the Filing Requirements for Transmission and Distribution Applications.

Article I.

1.0a Introduction

1.1 Waterloo North Hydro Inc. ("Waterloo North Hydro") submits this Application and supporting documentation for a rate adjustment, funding adder and rate riders pursuant to the Ontario Energy Board's Filing Guidelines for May 1, 2012 Distribution Rate Adjustments and PILs, issued for revised models and instructions on August 26, 2011, September 13, 2011 and October 20, 2011.

1.2 The utility continues to operate under the authority of a Board of Directors and has been incorporated as "Waterloo North Hydro Inc." under the Ontario *Business Corporations Act* since May 1, 2000. Waterloo North Hydro operates under Electricity Distribution Licence ED-2002-0575.

1.3 Waterloo North Hydro received Board approval on April 12, 2006 for rate adjustments, effective and implemented May 1, 2006, to its unbundled distribution rates under a Cost of Service model based on its Rate Base and Distribution Expenses, its associated 2006 PILs and costs associated with Regulatory Assets that were implemented as a rate rider, as outlined in the June 16, June 28 and July 12, 2005 filing guidelines issued by the OEB [EB-2005-0448]. Included in this rate approval were "negative" Regulatory Asset Recovery Rate Riders which in effect reduced customer bills.

1.4 Waterloo North Hydro received Board approval on April 12, 2007 for rate adjustments, effective and implemented May 1, 2007, to its unbundled distribution rates under an Incentive Regulation Mechanism, its associated 2007 PILs [EB-2007-0585] and a continuation of "negative" Regulatory Asset Recovery Rate Riders.

1.5 Waterloo North Hydro received Board approval on April 22, 2008, for rate adjustments, effective and implemented May 1, 2008, to its unbundled distribution rates under the implementation of the cost of capital and 2nd generation incentive regulation mechanism policies, and its associated 2008 PILs [EB-2007-0829].

1.6 Waterloo North Hydro received Board approval on March 11, 2009 for rate adjustments, effective and implemented May 1, 2009, to its unbundled distribution rates under the implementation of the cost of capital and 2nd generation incentive regulation mechanism policies, and its associated 2009 PILs [EB-2008-0216].

1.7 Waterloo North Hydro received Board Approval on March 25, 2010 for rate adjustments, effective and implemented May 1, 2010, to its unbundled distribution rates under the implementation of the cost of capital and 2nd generation incentive regulation mechanism policies, its associated 2010 PILs, Deferral Account Rate Riders, Low Voltage Volumetric Rates and adjustment to Retail Transmission Service Rates [EB-2009-0210].

1.8 Waterloo North Hydro received Board Approval (Revised) on June 9, 2011 for revised rate adjustments, effective May 1, 2011 and implemented on June 1, 2011, to its unbundled distribution rates in accordance with the Board's June 28, 2010 Chapter 2 of the Filing Requirements for Transmission and Distribution Applications, its associated 2011 PILs, Fixed and Volumetric Rate Riders, Fixed Funding Adder and adjustment to its Retail Transmission Service Rates [EB-2010-0144 and EB-2011-0221].

1.9 In this filing, Waterloo North Hydro is seeking approval for rate adjustments, to be effective and implemented May 1, 2012, to its unbundled distribution rates in accordance with Chapter 3 of the Filing Requirements for Transmission and Distribution Applications and 3rd generation incentive regulation mechanism (IRM3) policies, its associated 2012 PILs, Fixed and Volumetric Rate Riders, Fixed Funding Adder and adjustment to its Retail Transmission Service Rates as provided in the Board's revised models and instructions on August 26, 2011, September 13, 2011 and October 19, 2011.

1.10 Contact Information for the 2012 IRM Application:

Albert P. Singh, MBA, CGA
Vice-President Finance & CFO
519-888-5542
asingh@wnhydro.com

1.0b Company Size and Number of Customers

1.11 Waterloo North Hydro is a municipally owned electric distribution company. Waterloo North Hydro serves approximately 53,000 residential, commercial, and industrial customers in the City of Waterloo and the Townships of Wellesley and Woolwich.

1.0c Customer Profile

1.12 The Company currently uses seven customer classes for the purpose of distribution rates and billing: Residential, General Service < 50 kW, General Service > 50 kW, Large Use, Street Lighting, Unmetered Scattered Load and Embedded Distributor.

1.13 The General Service < 50 kW class consists of a wide range of customers including: office buildings, medium and small commercial and industrial establishments, farms, apartment and condominium buildings.

1.14 The General Service > 50 kW class is typically comprised of large commercial and industrial customers.

1.15 The Large Use class consists of one large use customer with an average load over five megawatts.

1.16 The Street Light class contributes less than 1% to the Company's current distribution revenue.

1.17 The Unmetered Scattered Load class contributes less than 1% to the Company's current distribution revenue.

1.18 The Embedded Distributor rate class contributes less than 1% to the Company's current distribution revenue

1.0d Previously Denied Amounts

1.19 Waterloo North Hydro has not previously been denied for any amounts that are included in the account balances in this application.

2.0 Information supporting the data filed in this Application:

Waterloo North Hydro has provided the following Attachments:

Attachment	Description
A	Rate Generator Model
B	Shared Tax Savings Workform
C	RTSR Adjustment Workform
D	Current May 1, 2011 Tariff Sheet
E	2002 Rate Application Model
F	2004 Rate Application Model
G	2005 Rate Application Model
H	2001 PILs Proxy Rate Model
I	2002 PILs Proxy Rate Model
J	2005 PILs Proxy Rate Model
K	2002 Board Decision
L	2004 Board Decision
M	2005 Board Decision
N	2001 Tax Returns
O	2002 Tax Returns
P	2003 Tax Returns
Q	2004 Tax Returns
R	2005 Tax Returns
S	Notice of Assessment
T	2001 SIMPIL Model (Revised)
U	2002 SIMPIL Model (Revised)
V	2003 SIMPIL Model (Revised)
W	2004 SIMPIL Model (Revised)
X	2005 SIMPIL Model (Revised)
Y	PILs 1562 Continuity Schedule
Z	LRAM Report
AA	RRWF 2011 Cost of Service Filing

Waterloo North Hydro has provided the Revenue Requirement Workform (RRWF) from the Draft Rate Order of its May 1, 2011 Cost of Service Filing as Attachment AA.

2.1 2012 Rate Generator and Supplementary Work Forms

Waterloo North Hydro has included in its application a completed 2012 Rate Generator Model as Attachment A, Shared Tax Savings Workform as Attachment B and an RTSR Adjustment Workform as Attachment C. All Models and Workforms have been provided in both in electronic (Excel) and PDF form.

Waterloo North Hydro has included its most recent load forecast from its May 1, 2011 Cost of Service Filing, EB-2010-0144 in the derivation of its volumetric rate riders. Waterloo North Hydro has selected this load forecast as the most representative for this filing, as a new rate class, Embedded Distributor, was created during this rate filing. The table below reflects the 2011 approved load forecast. Waterloo North Hydro has also provided its 2011 Distribution Revenue below, which was used in the allocation of Account 1562 PILs to April 30, 2006, as directed by the Board in its EB-2008-0381 decision.

Table 2.1a - May 1, 2011 Approved Load Forecast

Rate Class	Unit	Billed kWh No Losses	Loss Factor	Billed kWh With Losses	Billed kW	Distribution Revenue [1]
Residential	$/kWh	393,848,054	1.0404	409,759,515	-	15,308,033
GS < 50 kW	$/kWh	179,687,810	1.0404	186,947,198	-	4,381,714
GS > 50 kW	$/kW	705,732,689	1.0404	734,244,290	1,581,207	7,515,601
Large Use	$/kW	79,638,262	1.0050	80,036,454	153,852	572,427
Unmetered Scattered Load	$/kWh	1,648,666	1.0404	1,715,272	-	131,778
Street Lighting	$/kW	7,792,006	1.0404	8,106,803	21,835	234,246
Embedded Distributor	$/kW	28,618,000	1.0404	29,774,167	71,600	857
Total		**1,396,965,487**		**1,450,583,698**	**1,828,494**	**28,144,657**

[1] *Agrees to Base Revenue Requirement in EB-2010-0144*

Waterloo North Hydro has included in its calculation of Account 1588 Global Adjustment Sub-Account the 2010 Billed kWh for Non-RPP Customers as detailed in the table below.

Table 2.1b - 2010 Billed kWh and Estimated kW for Non-RPP Customers

Rate Class	2010 Billed kWh for Non-RPP Customers	2010 Estimated kW for Non-RPP Customers [2]
Residential	47,531,182	-
GS < 50 kW	27,737,012	-
GS > 50 kW	1,523,396	1,523,396
Large Use	160,284	160,284
Unmetered Scattered Load	434,100	-
Street Lighting	21,559	21,559
Embedded Distributor	80,019	80,019
Total	**77,487,552**	**1,785,257**

[2] *As calculated by the Rate Generator Model*

2.2 Current Tariff Sheet

Waterloo North Hydro has included in its application a PDF Copy of the Current May 1, 2011 Tariff Sheet as Attachment D.

2.3 Publication of Notice

Waterloo North Hydro will publish its notice in The Record, a paid publication with a readership of 233,000 and circulation of 139,000.

Waterloo North Hydro expects its customers may require further information about rate impacts as a result of this application. It will undertake to inform and explain the rate changes and the reasons for them to customers.

2.4 Price Cap Index Adjustment

Waterloo North Hydro has used the model proxy values of 1.3% as the Price Escalator (GDP-IPI), a 0.72% Productivity Factor and a Group II 0.4% Stretch Factor Value, for a Price Cap Index of 0.18%, as prescribed in Sheet 17 of the 2012 Rate Generator Model. Waterloo North Hydro understands that the Board staff will adjust the GDP-IPI in its 2012 IRM rate application model, when Statistics Canada publishes its final 2011 data in late February, 2012. In addition, once the distributor specific stretch factors become available, the Board will adjust the stretch factor in Waterloo North Hydro's 2012 rate application model.

2.5 Tax Changes

Waterloo North Hydro has included in its application a Shared Tax Savings Workform in Attachment B. In accordance with IRM3, a 50/50 sharing of the impact of currently known legislated tax changes as applied to the tax level reflected in the Board-approved base rates has been calculated. The calculated annual tax change has been allocated to customer rate classes on the basis of the most recent Board-approved base-year distribution revenue. Waterloo North Hydro has proposed a volumetric Rate Rider for Tax Savings effective for the twelve month period May 1, 2012 to April 30, 2013. The table below, which has been derived from calculations in the Shared Tax Saving Workform, provides the details of the proposed volumetric rate riders. The proposed rate riders have been included on Sheet 14 of the Rate Generator Model.

Table 2.5a – Proposed Tax Savings Rate Riders

Rate Class	Unit	Rate
Residential	$/kWh	(0.0001)
GS <50 kW	$/kWh	(0.0001)
GS >50 kW	$/kW	(0.0110)
Large Use	$/kW	(0.0079)
Unmetered Scattered Load	$/kWh	(0.0002)
Street Light	$/kW	(0.0229)
Embedded Distributor	$/kW	-

2.6 Deferral and Variance Account Balances

Waterloo North Hydro has exceeded the disposition threshold of $.001/kWh of its Group 1 Account Deferral and Variance Account Balances as reflected in Sheet 10 of its 2012 Rate Generator Model. Waterloo North Hydro has included its detailed information and calculations in Sheets 9 through 12 of its 2012 Rate Generator Model and included its proposed rate riders in Sheet 20 of its 2012 Rate Generator Model (Attachment A).

The Group 1 Account Balances include the Low Voltage Variance Account; the RSVA Accounts – Wholesale Market Service Charge, Retail Transmission Network Charge, Retail Transmission Connection Charge, Power and Global Adjustment Balances. The Low Voltage Variance and the RSVA accounts capture the variances from January 1, 2010 through December 31, 2010.

Waterloo North Hydro is proposing a four year disposition period in the repayment of its Group 1 Deferral and Variance Account Balances. Waterloo North Hydro has chosen this disposition period to protect its customers from rate shock that would occur if the entire balance was disposed of during one rate year. If disposition occurred over a one year period, in the following year, when the rate rider is removed, customers would experience a rate increase which Waterloo submits is not in the best interest of rate stability.

In 2010 the Board approved a four year disposition period for Waterloo North Hydro's Group 1 Account Deferral and Variance Account Balances and Waterloo North Hydro is proposing to consistently apply this disposition period in order to provide rate stability to its customers. In 2011 the Board approved Waterloo North Hydro's Settlement Agreement in which the Deferral and Variance Account Balances were disposed of over a three year period. A three year disposition period was settled upon since a four year disposition period resulted in a $0.0000 charge for some rate classes. This situation does not occur in this 2012 application. Waterloo North Hydro understands that the terms contained in a Settlement Agreement do not necessarily create a precedent for the Board, however, Waterloo North Hydro has provided this information to demonstrate that historically its Deferral and Variance Account Balances are disposed of over a period exceeding one year.

In addition, the proposed disposition of Account 1562, PILs as detailed in Section 2.8 below, is for the period October 1, 2001 through April 30, 2006 (and forecast carrying charges from May 1, 2006 to April 30, 2012). Waterloo submits that disposition of this balance over a one year period is not reasonable considering the time frame that has elapsed since the commencement of the collection period, and since April, 2006, and that a four year disposition period is suitable for the reasons articulated above.

Waterloo North Hydro has provided a summary of the Deferral and Variance accounts proposed for disposition in Table 2.6a below.

In Column BW of Sheet 9 2012 Continuity Schedule of Deferral and Variance Balances of the 2012 Rate Generator Model, the 2.1.7 RRR Data as of December 31, 2010 has been shown. In Column BX of the same sheet the Variance between the 2.1.7 RRR data and the 2010 Balance (Principal and Interest) is calculated. Waterloo North Hydro has provided Table 2.6b reconciling any differences.

Waterloo North Hydro has detailed in Tables 2.6c and 2.6d below the Cost Allocation and Calculation of the Rate Riders for the Deferral and Variance Accounts, including Account 1521 Special Purpose Charge (SPC) and Account 1562 PILs below. Waterloo North Hydro notes that the Rate Rider for Global Adjustment Sub-Account is applicable only for Non-RPP Customers.

Table 2.6a – Summary of Deferral and Variance Accounts

Account Descriptions	USoA	Closing Principal Balances as of Dec 31-10	Closing Interest Balances as of Dec 31-10	Projected Interest from Jan 1, 2011 to December 31, 2011	Projected Interest from January 1, 2012 to April 30, 2012	Total Claim
LV Variance Account	1550	73,347	73	1,175	386	74,981
RSVA - Wholesale Market Service Charge	1580	(1,613,517)	(6,248)	(25,165)	(7,943)	(1,652,873)
RSVA - Retail Transmission Network Charge	1584	583,365	2,706	9,489	2,876	598,436
RSVA - Retail Transmission Connection Charge	1586	25,985	389	368	129	26,871
RSVA - Power (excluding Global Adjustment)	1588	(1,759,722)	1,000	(28,934)	(8,633)	(1,796,289)
RSVA - Power - Sub-Account - Global Adjustment	1588	(237,534)	(10,445)	1,341	(1,191)	(247,829)
Recovery of Regulatory Asset Balances	1590	-	-			-
Disposition and Recovery of Regulatory Balances (2008)7	1595	-	-			-
Disposition and Recovery of Regulatory Balances (2009)7	1595	-	-			-
Group 1 Sub-Total (including Account 1588 - Global Adjustment)		**(2,928,075)**	**(12,525)**	**(41,726)**	**(14,376)**	**(2,996,702)**
Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)		**(2,690,541)**	**(2,080)**	**(43,067)**	**(13,185)**	**(2,748,873)**
RSVA - Power - Sub-Account - Global Adjustment	1588	(237,534)	(10,445)	1,341	(1,191)	(247,829)
Special Purpose Charge Assessment Variance Account	1521	(21,811)	1,226	228	(107)	(20,464)
Deferred Payments in Lieu of Taxes	1562	(1,222,774)	(4,544)	(17,975)	(5,992)	(1,251,284)
Group 1 Total + 1521 + 1562		**(4,172,661)**	**(15,843)**	**(59,473)**	**(20,474)**	**(4,268,450)**

Table 2.6b – Reconciliation between 2.1.7 Data at December 31, 2012 and Continuity Model

USoA	Account Description	2010 Balance		Difference	Difference	Explanation
		2012 Deferral Model	2.1.7			
1521	Special Purpose Charge Assessment Variance Account	(20,585)	164,157	184,742	184,742	Principal Transactions Jan 1/11-Apr 30/11
1562	Deferred Payments in Lieu of Taxes	(1,227,318)	(1,366,352)	(139,034)	(139,034)	Deferral Model balance is after re-calculation of the SIMPIL models and 1562 balances
1550	LV Variance Account	78,939	78,899	(40)	(40)	Adjustment to Interest Balance re: difference in projected vs. actual interest rates approved
1580	RSVA - Wholesale Market Service Charge	(2,075,540)	(2,075,883)	(343)	(343)	Adjustment to Interest Balance re: difference in projected vs. actual interest rates
1584	RSVA - Retail Transmission Network Charge	880,504	880,745	240	240	Adjustment to Interest Balance re: difference in projected vs. actual interest rates approved
1586	RSVA - Retail Transmission Connection Charge	20,037	20,040	3	3	Adjustment to Interest Balance re: difference in projected vs. actual interest rates approved
1588	RSVA - Power (excluding Global Adjustment)	(2,797,703)	(2,798,488)	(785)	(785)	Adjustment to Interest Balance re: difference in projected vs. actual interest rates approved
1588	RSVA - Power - Sub-Account - Global Adjustment	1,431,145	1,444,116	12,971	8,228	Correction of January 2011 activities previously recorded in 2010 in error
					4,743	Adjustment to Interest Balance re: difference in projected vs. actual interest rates approved
					12,971	

Table 2.6c – Cost Allocation Deferral & Variance Balances, including SPC and PILs 1562

Allocation of Group 1 Accounts (Excluding Account 1588 - Global Adjustment)										
Rate Class	**Units**	**Billed kWh**	**% kWh**	**1550**	**1580**	**1584**	**1586**	**1588***	**1521**	**Total**
Residential	$/kWh	393,848,054	28.19%	21,139	(465,996)	168,718	7,576	(506,430)	(5,769)	(780,762)
General Service Less Than 50 kW	$/kWh	179,687,810	12.86%	9,645	(212,604)	76,975	3,456	(231,052)	(2,632)	(356,212)
General Service 50 to 4,999 kW	$/kW	705,732,689	50.52%	37,879	(835,015)	302,324	13,575	(907,467)	(10,338)	(1,399,041)
Large Use	$/kW	79,638,262	5.70%	4,274	(94,227)	34,116	1,532	(102,403)	(1,167)	(157,874)
Unmetered Scattered Load	$/kWh	1,648,666	0.12%	88	(1,951)	706	32	(2,120)	(24)	(3,268)
Street Lighting	$/kW	7,792,006	0.56%	418	(9,219)	3,338	150	(10,019)	(114)	(15,447)
Embedded Distributor	$/kW	28,618,000	2.05%	1,536	(33,860)	12,259	550	(36,798)	(419)	(56,732)
Total		**1,396,965,487**	**100.00%**	**74,981**	**(1,652,873)**	**598,436**	**26,871**	**(1,796,289)**	**(20,464)**	**(2,769,337)**

** RSVA - Power (Excluding Global Adjustment)*

1588 RSVA - Power (Global Adjustment Sub-Account)				Allocation of Account 1562		Total
Rate Class	**Non-RPP kWh**	**% kWh**	**1588**	**% of Distribution Revenue**	**Allocation of Balance in Account 1562**	
Residential	**47,531,182**	**5.41%**	**(13,412)**	54.4%	(680,580)	
General Service Less Than 50 kW	**27,737,012**	**3.16%**	**(7,827)**	15.6%	(194,807)	
General Service 50 to 4,999 kW	**679,930,260**	**77.42%**	**(191,860)**	26.7%	(334,136)	
Large Use	**82,967,618**	**9.45%**	**(23,411)**	2.0%	(25,450)	
Unmetered Scattered Load	**434,100**	**0.05%**	**(122)**	0.5%	(5,859)	
Street Lighting	**7,693,361**	**0.88%**	**(2,171)**	0.8%	(10,414)	
Embedded Distributor	**31,983,034**	**3.64%**	**(9,025)**	0.0%	(38)	
Total	**878,276,568**	**100.00%**	**(247,829)**	**100.0%**	**(1,251,284)**	**(4,020,621)**

Table 2.6d – Calculation of Deferral & Variance Rate Riders

Please indicate the Rate Rider Recovery Period (in years) **4**

Rate Class	Unit	Billed kWh	Billed kW	Accounts Allocated by kWh/kW (RPP) or Distribution	Deferral/Variance Account Rate Rider	Account 1588 Global Adjustment Sub-Account	Billed kWh or Estimated kW for Non-RPP Customers	Global Adjustment Rate Rider
Residential	$/kWh	393,848,054	-	(1,461,343)	(0.0009)	(13,412)	47,531,182	(0.0001)
GS < 50 kW	$/kWh	179,687,810	-	(551,019)	(0.0008)	(7,827)	27,737,012	(0.0001)
GS > 50 kW	$/kW	705,732,689	1,581,207	(1,733,177)	(0.2740)	(191,860)	1,523,396	(0.0315)
Large Use	$/kW	79,638,262	153,852	(183,324)	(0.2979)	(23,411)	160,284	(0.0365)
Unmetered Scattered Load	$/kWh	1,648,666	-	(9,127)	(0.0014)	(122)	434,100	(0.0001)
Street Lighting	$/kW	7,792,006	21,835	(25,861)	(0.2961)	(2,171)	21,559	(0.0252)
Embedded Distributor	$/kW	28,618,000	71,600	(56,770)	(0.1982)	(9,025)	80,019	(0.0282)
Total		**1,396,965,487**	**1,828,494**	**(4,020,621)**		**(247,829)**	**77,487,552**	

2.7 Special Purpose Charge ("SPC")

The Board authorized Account 1521, Special Purpose Charge Assessment Variance Account in accordance with Section 8 of Ontario Regulation 66/10 (Assessments for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program Costs) (the "SPC Regulation"). Accordingly the sub-account 2010 SPC Assessment Variance of Account 1521 records any difference between (a) the amount remitted to the Minister of Finance for Waterloo North Hydro's SPC assessment; and (b) the amounts recovered from customers due to the assessment.

In accordance with Section 8 of the SPC Regulation, distributors are required to apply no later than April 15, 2012 for an order authorizing the disposition of any residual balance in sub-account 2010 SPC Assessment Variance, of Account 1521.

The Board has stated that it expects that requests for disposition of the balance in "Sub-account 2010 SPC Assessment Variance" and associated carrying charges will be addressed as part of the proceedings to set rates for the 2012 rate year.

Waterloo North Hydro is applying to request disposition of Account 1521 in the amount of ($20,464) in this rate application. Waterloo North Hydro has included transactions up to April 30, 2011 (including accruals) in its 2010 transactions on Sheet 9 Continuity Schedule in the 2012 Rate Generator Model in order to comply with the SPC Regulation. Waterloo North Hydro has provided details of this account in the table below.

Table 2.7a – USoA 1521 SPC Assessment Variance Account

WATERLOO NORTH HYDRO INC.

UsoA 1521 Special Purpose Charge Assessment Variance Account

Date	Details	Principal		Carrying Charges		Total
		Month	Month End Balance	Month	Life-to-Date	
May 2010	SPC Billed to Customers	(1,589.62)		-	-	
	Unbilled Revenue Current Month	(42,096.14)	(43,685.76)			
June	SPC Billed to Customers	(35,374.00)				
	Unbilled Revenue Current Month	(52,694.64)				
	Unbilled Revenue Reverse Previous Month	42,096.14	(89,658.26)	(20.02)	(20.02)	(89,678.28)
July	Paid to Ministry of Energy Cheque July 23, 2010	529,374.00				
	SPC Billed to Customers	(43,365.03)				
	Unbilled Revenue Current Month	(58,296.54)				
	Unbilled Revenue Reverse Previous Month	52,694.64	390,748.81	(66.50)	(86.52)	390,662.29
Aug	SPC Billed to Customers	(47,160.82)				
	Unbilled Revenue Current Month	(55,000.00)				
	Unbilled Revenue Reverse Previous Month	58,296.54	346,884.53	289.81	203.29	347,087.82
Sept	SPC Billed to Customers	(50,074.76)				
	Unbilled Revenue Current Month	(58,000.00)				
	Unbilled Revenue Reverse Previous Month	55,000.00	293,809.77	257.27	460.56	294,270.33
Oct	SPC Billed to Customers	(42,857.14)				
	Unbilled Revenue Current Month	(50,701.18)				
	Unbilled Revenue Reverse Previous Month	58,000.00	258,251.45	293.81	754.37	259,005.82
Nov	SPC Billed to Customers	(44,834.30)				
	Unbilled Revenue Current Month	(50,605.15)				
	Unbilled Revenue Reverse Previous Month	50,701.18	213,513.18	258.25	1,012.62	214,525.80
Dec	SPC Billed to Customers	(42,421.29)				
	Unbilled Revenue Current Month	(58,766.55)				
	Unbilled Revenue Reverse Previous Month	50,605.15	162,930.49	213.51	1,226.13	164,156.62
Jan 2011	SPC Billed to Customers	(48,320.75)				
	Unbilled Revenue Current Month	(58,766.55)				
	Unbilled Revenue Reverse Previous Month	58,766.55	114,609.74	199.59	1,425.72	116,035.46
Feb	SPC Billed to Customers	(47,579.35)				
	Unbilled Revenue Current Month	(59,537.09)				
	Unbilled Revenue Reverse Previous Month	58,766.55	66,259.85	140.40	1,566.12	67,825.97
Mar	SPC Billed to Customers	(48,980.21)				
	Unbilled Revenue Current Month	(59,961.68)				
	Unbilled Revenue Reverse Previous Month	59,537.09	16,855.05	81.17	1,647.29	18,502.34
Apr	SPC Billed to Customers	(45,962.81)				
	Unbilled Revenue Current Month	(52,665.04)				
	Unbilled Revenue Reverse Previous Month	59,961.68	(21,811.12)	20.65	1,667.94	(20,143.18)
May	Carrying Charges		(21,811.12)	(26.72)	1,641.22	(20,169.90)
June	Carrying Charges		(21,811.12)	(26.72)	1,614.50	(20,196.62)
July	Carrying Charges		(21,811.12)	(26.72)	1,587.78	(20,223.34)
August	Carrying Charges		(21,811.12)	(26.72)	1,561.06	(20,250.06)
September	Carrying Charges		(21,811.12)	(26.72)	1,534.34	(20,276.78)
October	Carrying Charges		(21,811.12)	(26.72)	1,507.62	(20,303.50)
November	Carrying Charges		(21,811.12)	(26.72)	1,480.91	(20,330.21)
December	Carrying Charges		(21,811.12)	(26.72)	1,454.19	(20,356.93)
Jan 2012	Carrying Charges		(21,811.12)	(26.72)	1,427.47	(20,383.65)
February	Carrying Charges		(21,811.12)	(26.72)	1,400.75	(20,410.37)
March	Carrying Charges		(21,811.12)	(26.72)	1,374.03	(20,437.09)
April	Carrying Charges		(21,811.12)	(26.72)	1,347.31	(20,463.81)
Principal & Carrying Charge Balance at April 30, 2012			**(21,811.12)**	**1,347.31**		**(20,463.81)**

Forecast Interest Totals 2011	228.05
Forecast Interest TotalsJan - Apr 2012	(106.87)

Carrying Charge Rate July 1, 2009 - June 30, 2010	0.55%
Carrying Charge Rate July 1, 2010 - Sept 30/10	0.89%
Carrying Charge Rate Oct 1/10 - Dec 31/10	1.20%
Carrying Charge Rate Jan 1/11 -	1.47%

2.8 PILs 1562 Deferred Payment in Lieu of Taxes ("PILs") for the Period October 1, 2001 to April 30, 2006

The Board issued its Decision and Order in the EB-2008-0381 Account 1562 Deferred PILs Combined Proceeding on June 24, 2011. The Board stated that it expects all electricity distributors subject to section 93 of the *Electricity Act, 1998* to file for disposition of the balances in account 1562 Deferred PILs in their 2012 rate applications.

In the Combined Proceeding, Halton Hills Hydro Inc. filed revised spreadsheet implementation models for payments in lieu of taxes ("SIMPIL") to calculate the balance in account 1562 Deferred PILs. In its application EB-2010-0132, Hydro One Brampton Networks Inc. also filed revised SIMPIL models. Earlier versions of SIMPIL models that were released for Reporting and Record Keeping Requirements ("RRR") filings in 2001 and 2003 contained errors. However, given the availability of these two sets of models, the Board does not intend to release new SIMPIL models for other distributors. As noted in the Decision:

> *If the distributor files evidence in accordance with all the various decisions made in the course of this proceeding, including the use of the updated model referenced above and certifies to that effect, the distributor may expect that the determination of the final account balance will be handled expeditiously and in a largely administrative manner.* [1]

Waterloo North Hydro certifies that it has filed to the best of its ability in accordance with the various decisions made in the course of the EB-2008-0381 proceeding, including the use of the updated Hydro One Brampton Networks Inc. revised spreadsheet implementation model for 2001 and the Halton Hills Hydro Inc. revised spreadsheet implementation models for 2002 through 2005.

[1] EB-2008-0381, Decision and Order, Page 28 Account 1562 Deferred PILs Combined Proceeding

Waterloo North Hydro has reviewed the Oshawa PUC Case EB-2011-0073 Board Staff Interrogatory (IR) # 60 as directed by Board Staff in its letter of September 13, 2011. Waterloo North Hydro has provided the information requested in this interrogatory with this application to dispose of Account 1562 Deferred PILs.

Waterloo North Hydro notes the following key elements have been applied in preparing its application for disposition of Account 1562:

- Regulatory assets and liabilities have been excluded from the calculation of the balance that is being trued up to ratepayers. Please note that in 2001 Waterloo North Hydro did not report the Energy Sales and Distribution Revenue separately for the purposes of the October to December 2001 Financial Statement. A loss was reported during this period for tax purposes. Waterloo North Hydro has currently not segregated any portion of the loss that may be attributable to Cost of Energy Purchased exceeding Cost of Sales. If Waterloo North Hydro had inserted the full loss as a proxy on Sheet TAXREC 3 (and removed the corresponding amount on TAXREC) the true-up adjustment variance and deferral account variance adjustment do not change from the amounts calculated if the entire loss is reflected in TAXREC.

- The excess interest claw-back has been calculated in accordance with the established methodology and has not deviated from this policy.

- The tax rate to compute the tax impact includes the surtax expressed as 1.12% and the tax rate for true-up calculations excludes the surtax rate of 1.12%.

- Waterloo North Hydro notes that in 2001 it generated and utilized tax losses and had no taxable income. As Waterloo North Hydro has been at the maximum tax rate in all successive years 2002 through 2005, Waterloo North Hydro has overridden the formula in the 2001 SIMPIL model and reflected the tax rate to compute the tax impact at 40.62% and tax rate for true-up calculations at 39.50%, both of which are the maximum applicable tax rates in 2001.

- Waterloo North Hydro has chosen a materiality threshold of $100,459 and used it consistently for the entire period. The $100,459 was calculated as [Rate Base of $80,367,575 multiplied by the Common Equity Ratio of 50% and then multiplied by the default factor of .25%].

- The final tax return numbers for each year have been used in the SIMPIL models.

- Adjustments to depreciation due to reallocations did not true up to ratepayers and have been reflected on Sheet TAXREC3 No True Up in the SIMPIL models.

- Waterloo North Hydro has reflected a tax (accounting) amount in the 2005 SIMPIL in the amount of the deduction for CDM expenses made in the 2005 PILs proxy model.

Waterloo North Hydro provides the following information in the format of Oshawa PUC's IR # 60:

(a) Waterloo North Hydro has provided active auditable Excel workbooks of the following models:

i. Rate Applications for 2002, 2004 and 2005 have been provided.

ii. PILs Proxies as calculated for Rate Filings for 2001, 2002 and 2005 and Revised SIMPIL models for 2001 through 2005.

iii. PILs 1562 Continuity Schedule for the Years 2001 to 2005 (the schedule also provides forecast carrying charges to April 30, 2012).

iv. Supporting workbooks used to calculate the amounts billed to customers.

(b) PDF versions of requested information has been attached as follows:

i. Rate Applications for 2002, 2004 and 2005 have been provided as Attachments E, F and G. PILs Proxies as calculated for Rate Filings for 2001, 2002 and 2005 (2004 used the 2002 PILs Proxy amount) have been provided as Attachments H, I and J.

ii. PDF copies of Signed Board Decisions for each year that an application was filed requesting PILs (2002, 2004, 2005) to be included in rates have been provide as Attachments K, L and M. Waterloo North Hydro notes that it is unable to locate the signed 2005 Board Decision, thus, Waterloo has provided the Decision and Rate Order that is on the Board's website and has compared it to ensure that the Rate Models used for 2005 generate the same rates as this Rate Order.

iii. PDF copies of Final Tax Returns, Notices of Assessment and Re-Assessment and Statement of Adjustments for each tax period 2001 through 2005 have been provided as Attachments N, O, P, Q, R and S (please note that the 2005 Statement of Adjustment will be forwarded in a subsequent submission).

iv. Revised SIMPILs models for the tax years 2001 through 2005 have been provided as Attachments T, U, V, W and X.

v. Account 1562 PILs Continuity Schedule for the period October 1, 2001 to April 30, 2006 (and continues to April 30, 2012 to calculate carrying charges) and supporting backup used to calculate the amounts billed to customers as Attachment Y that shows:

- The PILs proxy allowed for the number of months in each tax period. Supporting calculations and references have been provided.

- The amounts billed to customers during the same tax periods. Unbilled revenue accruals have been included in these amounts. Supporting Excel workbooks used to calculate the amounts billed to customers have been provided as noted in section 2.8 (a) above.

- The deferral account and true-up balances that are calculated in the SIMPIL workbook TAXCALC sheet for each tax period.

- Waterloo North Hydro had $0 in Large Corporation Tax (LCT) included in 2005 rates that relates to the period January 1, 2006 to April 30, 2006.

- Carrying Charges are calculated using the Prescribed Rates and are detailed in the PILs 1562 Continuity Schedule and those rates that were applied are reproduced in Table 2.8a below.

Table 2.8a Prescribed Rates

Period	Prescribed Board Rate
Carrying Charge Rate to April 30, 2006	7.25%
Carrying Charge Rate May 1, 2006 - June 30, 2006	4.14%
Carrying Charge Rate July 1, 2006 - September 30, 2006	4.59%
Carrying Charge Rate October 1, 2006 - September 30, 2007	4.59%
Carrying Charge Rate October 1, 2007 - March 31, 2008	5.14%
Carrying Charge Rate April 1, 2008 - June 30, 2008	4.08%
Carrying Charge Rate July 1, 2008 - December 31, 2008	3.35%
Carrying Charge Rate January 1, 2009 -March 31, 2009	2.45%
Carrying Charge Rate April 1, 2009 - June 30, 2009	1.00%
Carrying Charge Rate July 1, 2009 - June 30, 2010	0.55%
Carrying Charge Rate July 1, 2010 - September 30, 2010	0.89%
Carrying Charge Rate October 1, 2010 - December 31, 2010	1.20%
Carrying Charge Rate January 1, 2011 - April 30, 2012*	1.47%

** Used the current rate in carrying charges forecast amounts to April 30, 2012*

- Waterloo North Hydro applied the following methodology: Carrying charge amounts were calculated using simple interest applied to the monthly opening debit or credit balances in the account (exclusive of accumulated interest) and recorded in a separate sub-account of this account. For the period up to April 30, 2006, Waterloo North Hydro used a rate of interest equal to its deemed debt rate of 7.25% as set out in Chapter 3 of the 2000 Electricity Distribution Rate Handbook, Table 3-1. Effective May 1, 2006, the rate of interest used was the rate prescribed by the Board for the respective quarterly period, as detailed in Table 2.8a.

- Waterloo North Hydro has recalculated its carrying charges to reflect all principal changes to the SIMPIL models as settled in Issue # 16 of the Combined Proceeding.

- Waterloo North Hydro has forecast carrying charges to the proposed date of disposition as settled in Issue # 21 of the Combined Proceeding.

(c) Waterloo North Hydro notes that in 2001 it generated and utilized tax losses and had no taxable income. As Waterloo North Hydro has been at the maximum tax rate in all successive years 2002 through 2005, Waterloo North Hydro has overridden the formula in the 2001 SIMPIL model and reflected the tax rate to compute the tax impact at 40.62% and tax rate for true-up calculations at 39.50%, both of which are the maximum applicable tax rates in 2001.

(d) Waterloo North Hydro, as noted above, has utilized Hydro One Brampton's 2001 SIMPIL model and Halton Hill's 2002 through 2005 SIMPIL models. The Board Decision in EB-2008-0381 directs distributors to use either of these distributors models as formula errors had been corrected, thus, Waterloo North Hydro has overcome the errors in the original models.

(e) Waterloo North Hydro has used data for its final tax returns, and any tax adjustments that appeared in notices of reassessment and statements of adjustments rendered by the Ontario Ministry of Revenue, for the tax years 2001 through 2005 in calculating the final balance in Account 1562.

(f) Waterloo North Hydro excluded regulatory assets and liabilities, when they were created or collected, in the calculation of the final balances in its PILs Account 1562 regardless of the actual tax treatment accorded those amounts. Please refer to comments on page 20 regarding 2001.

(g) Waterloo North Hydro did not amortize any fees and charges related to borrowing debt as interest expense.

(h) Waterloo North Hydro confirms that it excluded variances associated with Ontario Capital Tax (OCT) in the income tax true-up reconciliation.

(i) Waterloo confirms to its knowledge that all tax years from 2001 through 2005 are statute-barred.

(j) Waterloo North Hydro submits that the proposed rate riders are appropriate. Waterloo North Hydro has calculated the proposed rate rider as a volumetric rate rider using billing determinants kWh or kW for all of its rate classes which are calculated on a volumetric basis. The 2011 Test Year data from its most recently approved Cost of Service application was used to derive the variable rate rider by class.

Waterloo North Hydro has also proposed a four year disposition period, consistent with the proposed disposition period for all Deferral and Variance Balances, as discussed in Section 2.6 above.

Waterloo North Hydro has provided a summary of the Account 1562 PILs Claim in Table 2.8b below.

Please refer to Tables 2.6c and 2.6d for the derivation of the calculation of the rate rider including Account 1562 PILs.

Table 2.8b – Summary of Account 1562 PILs

Account Descriptions	USoA	Closing Principal Balances as of Dec 31-10	Closing Interest Balances as of Dec 31-10	Projected Interest from Jan 1, 2011 to December 31,	Projected Interest from January 1, 2012 to April 30,	Total Claim
Deferred Payments in Lieu of Taxes	1562	(1,222,774)	(4,544)	(17,975)	(5,992)	(1,251,284)

2.9 Adjustment of General Service >50 kW Monthly Customer and Variable Charges

In Waterloo North Hydro's May 1, 2011 Settlement Agreement Section 8.2, approved by the Board in its 2011 Cost of Service Filing EB-2010-0144, it was agreed upon that the General Service >50 kW rate class would have adjustments to reduce the monthly fixed customer charge and the variable charge. Illustrative examples accompany this section; Waterloo North Hydro has reproduced Section 8.2 and the illustrative examples at the end of this section (*italicized*).

Waterloo North Hydro has provided in Table 2.9a below, the May 1, 2012 proposed charges which follow the methodology established in Section 8.2 of the Settlement Agreement. Waterloo North Hydro notes that the charges would need to be updated upon release of the updated GDP-IPI, when Statistics Canada publishes its final 2011 data in late February, 2012 and once the distributor specific stretch factors become available. The Proxy Price Cap Index of .18%, as provided in Sheet 17 of the 2012 Rate Generator Model, has been used in Table 2.9a.

Waterloo North Hydro has also provided the Rate Design backup which details the change in the General Service >50 kW customer and variable charges in Table 2.9b below. These tables demonstrate that the Total Revenue, approved in its May 1, 2011 Cost of Service Filing, does not alter as a result of the adjustment of the General Service >50kW customer and variable charges.

Waterloo North Hydro has made these adjustments on Sheet 17 of the 2012 Rate Generator Model.

Table 2.9a – Proposed General Service >50 kW Monthly Customer and Variable Charge

GS>50 kW Monthly Customer Charge		
Details	**2011**	**2012**
May 1, 2010 Rate	$187.01	$187.01
Ceiling per O2 Cost Allocation per DRO	114.43	
Difference	72.58	
Decrease 1/3	24.19	
Resulting Customer Charge	**$162.82**	
Ceiling per O2 Cost Allocation		114.43
GDP-IPI -X IRM Increase		0.18%
Adjusted Ceiling		114.64
Difference		72.37
Decrease 2/3		48.25
Resulting Customer Charge May 1, 2012		**$138.76**

GS>50 kW Monthly Variable Charge		
Details	**2011**	**2012**
May 1, 2011 Rate per Rate Order	**$4.3073**	
Re-calculate Variable Charge for new 2012 Customer Charge		4.4290
2012 GDP-IPI -X IRM Increase		0.18%
Resulting Variable Charge May 1, 2012		**$4.4369**

Table 2.9b – Rate Design Backup Details for the Proposed Change in the General Service >50 kW Monthly Customer and Variable Charge

Distribution Rate Allocation Between Fixed & Variable Rates For 2011 Test Year - With Adjustments for 2012 GS >50

Customer Class	Total Net Rev. Requirement	Rev Requirement %	Proposed Fixed Rate	Resulting Variable Rate	Total Fixed Revenue	Total Variable Revenue	Transformer Allowance	Gross Distribution Revenue	LV & Wheeling Charges	Total
Residential	15,308,033	54.39%	14.56	$0.0184	$ 8,078,703	$ 7,229,330	$ 478	15,308,512	48,555	15,357,067
GS < 50 kW	4,381,714	15.57%	30.63	$0.0137	$ 1,994,949	$ 2,386,764	$ 74,612	4,456,326	19,937	4,476,263
GS >50	7,515,601	26.70%	138.76	$4.4290	$ 1,110,046	$ 6,405,555	$ 597,538	8,113,140	87,079	8,200,218
Large Use	572,427	2.03%	6,686.47	$3.1991	$ 80,238	$ 492,189	$ -	572,427	8,501	580,928
Sentinel Lights	0	0.00%	0.00	$0.0000	$ -	$ -				
Street Lighting	234,246	0.83%	0.33	$8.3232	$ 52,506	$ 181,740		234,246	744	234,990
USL	131,778	0.47%	15.31	$0.0190	$ 100,499	$ 31,280		131,778	183	131,961
Embedded Distributor	857	0.00%	0.00	$0.0120	$ -	$ 857		857	0	857
TOTAL	**28,144,657**	**100.00%**			**$11,416,942**	**$16,727,716**	**$ 672,628**	**$28,817,286**	**$165,000**	**$28,982,286**
			Forecast Fixed/Variable Ratios		**39.621%**	**58.045%**	**2.334%**	**100.000%**		

Distribution Rate Allocation Between Fixed & Variable Rates For 2011 Test Year - Approved in 2011

Customer Class	Total Net Rev. Requirement	Rev Requirement %	Proposed Fixed Rate	Resulting Variable Rate	Total Fixed Revenue	Total Variable Revenue	Transformer Allowance	Gross Distribution Revenue	LV & Wheeling Charges	Total
Residential	15,308,033	54.39%	14.56	$0.0184	$ 8,078,703	$ 7,229,330	$ 478	15,308,512	48,555	15,357,067
GS < 50 kW	4,381,714	15.57%	30.63	$0.0137	$ 1,994,949	$ 2,386,764	$ 74,612	4,456,326	19,937	4,476,263
GS >50	7,515,601	26.70%	162.82	$4.3073	$ 1,302,476	$ 6,213,125	$ 597,538	8,113,140	87,079	8,200,218
Large Use	572,427	2.03%	6,686.47	$3.1991	$ 80,238	$ 492,189	$ -	572,427	8,501	580,928
Sentinel Lights	0	0.00%	0.00	$0.0000	$ -	$ -				
Street Lighting	234,246	0.83%	0.33	$8.3232	$ 52,506	$ 181,740		234,246	744	234,990
USL	131,778	0.47%	15.31	$0.0190	$ 100,499	$ 31,280		131,778	183	131,961
Embedded Distributor	857	0.00%	0.00	$0.0120	$ -	$ 857		857	0	857
TOTAL	**28,144,657**	**100.00%**			**$11,609,372**	**$16,535,285**	**$ 672,628**	**$28,817,286**	**$165,000**	**$28,982,286**
			Forecast Fixed/Variable Ratios		**40.286%**	**57.380%**	**2.334%**	**100.000%**		

Differences in 2012 & 2011 Distribution Revenue between Fixed & Variable, however, Total Revenue does not Change

	Total Fixed Revenue	Total Variable Revenue	Transformer Allowance	Gross Distribution Revenue	LV & Wheeling Charges	Total
TOTAL	**(192,430)**	**192,430**	**-**	**-**	**-**	**-**

Section 8.2 of Waterloo North Hydro's Settlement Agreement and Illustrative Examples are *reproduced in italics* below:

8.2 Are the customer charges and the fixed-variable splits for each class appropriate?

Status: ***Complete Settlement***

Supporting Parties: WNH, Energy Probe, SEC, VECC

Evidence: *Exhibit 8, Pages 2 to 6*

Interrogatory responses VECC IR # 15

For the purposes of obtaining complete settlement of all issues, the Parties accept the customer charges and the fixed-variable splits resulting from this Agreement (see Appendix K) for 2011.

The customer charges in Appendix L for the General Service Greater than 50 kW rate class reflect a one-third reduction between the current monthly customer charge of $187.01 and the ceiling of $114.22 as calculated in Sheet O2 of the Cost Allocation Model, resulting in a monthly customer charge of $162.75 for the 2011 rate year. The Parties agree that in 2012 and 2013, further reductions will occur as follows: Any (GDP-IPI – X) increases or decreases under the IRM plan will be applied to the ceiling from Sheet O2 of the Cost Allocation Model, the difference between the May 1, 2010 rate ($187.01) and the 2012 Adjusted Ceiling will be multiplied by 2/3 and subtracted from the May 1, 2010 rate to obtain the 2012 customer charge. In 2013, any (GDP-IPI – X) increases or decreases under the IRM plan are applied to the 2012 adjusted ceiling and the resulting 2013 Adjusted Ceiling will become the 2013 Customer Charge for this rate class. For each of 2012 and 2013, the rate design model will be re-run using the adjusted fixed charge for the General Service Greater than 50 kW class, and the consumption agreed upon in this Agreement, in order to establish the variable charge ("re-calculated variable charge") for that class for the corresponding year.

The re-calculated variable charge will then have any (GDP-IPI – X) increases or decreases under the IRM plan applied. In 2012 the applicable 2012 (GDP-IPI – X) increase or decrease will be applied to the re-calculated 2012 variable charge. In 2013 the applicable 2012 and 2013 (GDP-IPI – X) increases or decreases will be applied to the re-calculated 2013 variable charge. Two illustrative examples are provided below

Illustrative examples are provided below.

Illustrative Example – Customer Charge

GS>50 kW Monthly Customer Charge			
Details	**2011**	**2012**	**2013**
May 1, 2010 Rate	$ 187.01	$ 187.01	$ 187.01
Ceiling per O2 Cost Allocation	114.22		
Difference	72.79		
Decrease 1/3	24.26		
Resulting Customer Charge	**$ 162.75**		
Ceiling per O2 Cost Allocation		114.22	
GDP-IPI -X IRM Increase		0.30%	
Adjusted Ceiling		114.56	
Difference		72.45	
Decrease 2/3		48.30	
Resulting Customer Charge		**$ 138.71**	
Ceiling per O2 Cost Allocation			114.56
GDP-IPI -X IRM Increase			0.50%
Adjusted Ceiling			115.14
Difference			71.87
Decrease 3/3			71.87
Resulting Customer Charge			**$ 115.14**

Illustrative Example – Variable Charge

GS>50 kW Monthly Variable Charge			
Details	**2011**	**2012**	**2013**
May 1, 2011 Rate per Settlement	**$ 4.3054**		
Re-calculate Variable Charge for new 2012 Customer Charge		4.4269	
2012 GDP-IPI -X IRM Increase		0.30%	
Resulting Variable Charge		**$ 4.4402**	
Re-calculate Variable Charge for new 2013 Customer Charge			4.5462
2012 GDP-IPI -X IRM Increase			0.30%
2012 GDP-IPI -X IRM Increase			0.50%
Resulting Variable Charge			**$ 4.5826**

2.10 Retail Transmission Service Rates

Electricity distributors are charged the Ontario Uniform Transmission Rates ("UTRs") at the wholesale level and subsequently pass these charges on to their distribution customers through the Retail Transmission Service Rates ("RTSRs"). The UTRs are charges for network, line connection and transformation connection services.

The Board issued an RTSR Adjustment Workform Version 2.1 on August 26, 2011. Waterloo North Hydro, however, was unable to use this model as it incurs RTSR costs from two additional distributors, namely Kitchener-Wilmot Hydro ("Kitchener") and Cambridge and North Dumfries Hydro ("Cambridge"). The model did not allow for the addition of data from these two distributors. The RTSR costs paid to Kitchener and Cambridge are reflected in Waterloo North Hydro's current approved May 1, 2011 rates. Waterloo North Hydro has, thus, created an RTSR Adjustment Workform in the format of the Board's Adjustment Workform and included the RTSR costs paid to Kitchener and Cambridge.

Waterloo North Hydro has included billing detail for wholesale transmission that was used in its 2011 Cost of Service Filing. The use of the 2011 Cost of Service Data is consistent with Waterloo North Hydro's use of the 2011 Cost of Service Data in Sheet 4 of the RTSR Model, as instructed by the Board Guidelines.

The RTSR filing module reflects the most recent Uniform Transmission Rates approved by the Board (EB-2010-0002), issued on January 18, 2011 and effective January 1, 2011. It is Waterloo North Hydro's understanding that once the January 1, 2012 UTR adjustments are determined, the Board will adjust the RTSR model to incorporate this change, if applicable.

As the billing detail for wholesale transmission has used the 2011 Cost of Service Data, Waterloo North Hydro has used as the Historical Rates in Sheet 6 the rates that are included in the 2011 Cost of Service Application. The source of the rates used was as follow: Kitchener EB-2009-0267 and Cambridge EB-2009-0260.

Waterloo North Hydro notes that in accordance with its billing arrangements with its Embedded Distributor, Retail Transmission Rates are not applicable.

Waterloo North Hydro has provided the proposed RTSR rates, as derived from Sheet 13 of the RTSR model, in Table 2.10a below.

Table 2.10a Proposed May 1, 2012 Retail Transmission Service Rates

Rate Class	Unit	Proposed RTSR Network	Proposed RTSR Connection
Residential	$/kWh	$ 0.0068	$ 0.0023
General Service Less Than 50 kW	$/kWh	$ 0.0062	$ 0.0020
General Service 50 to 999 kW	$/kW	$ 2.5268	$ 0.8012
General Service 50 to 999 kW - Interval Metered	$/kW	$ 2.6838	$ 0.9996
General Service 1,000 to 4,999 kW - Interval Meters	$/kW	$ 2.6803	$ 1.0008
Large Use	$/kW	$ 2.9714	$ 1.0042
Unmetered Scattered Load	$/kWh	$ 0.0062	$ 0.0020
Street Lighting	$/kW	$ 1.9058	$ 0.6193
Embedded Distributor	$/kW	$ -	$ -

Waterloo North Hydro has provided the detail of the Retail Transmission Network and Connection kW Quantities used and approved in its May 1, 2011 Cost of Service Filing in Table 2.10b below.

Waterloo North Hydro notes that when the RTSR rates are calculated in the RTSR Adjustment Workform they are calculated in Sheet 13 to many decimal places and if these rates are copied into the Rate Generator the '% Adjustment' on Sheets 15 and 16 Proposed RTSR Network and Connection respectively, would be the same for all rate classes. When Waterloo North Hydro input the proposed rates into Sheets 15 and 16 to four decimal places only, the truncation causes the '% Adjustment' to differ between the rate classes.

Table 2.10b Retail Transmission Network and Connection kW Quantities from May 1, 2011 Cost of Service Filing

2011 Cost of Service Units Retail Transmission Service Rates															
Month	NW - Network					CN - Line Connection					CN - Line Transformation				
	IESO	HONI	KWH	CND	TOTAL	IESO	HONI	KWH	CND	TOTAL	IESO	HONI	KWH	CND	TOTAL
Jan	221,733	5,910	5,110	7,230	239,983	221,583	5,906	5,107	7,225	239,821	31,950	5,870			37,820
Feb	216,203	5,507	4,893	7,098	233,700	216,841	5,758	4,891	7,093	234,583	31,750	5,724			37,473
Mar	216,584	5,138	4,776	7,106	233,605	216,438	5,135	4,919	7,101	233,593	31,840	5,104			36,944
Apr	183,466	4,763	3,981	6,611	198,820	200,081	4,759	3,978	6,606	215,425	28,556	4,731			33,287
May	187,322	4,062	3,611	5,970	200,965	196,007	4,059	3,609	5,966	209,641	25,563	4,035			29,598
Jun	243,544	5,464	4,899	6,552	260,459	245,280	5,463	4,896	6,548	262,186	30,367	5,430			35,797
Jul	199,857	5,311	4,178	6,076	215,422	207,879	5,307	4,175	6,072	223,433	26,835	5,275			32,111
Aug	242,803	5,554	4,361	7,029	259,747	250,972	5,550	4,359	7,024	267,905	29,319	5,517			34,835
Sep	202,316	4,349	3,068	6,311	216,044	214,833	4,381	3,067	6,307	228,588	27,431	4,355			31,786
Oct	194,359	4,656	3,360	6,421	208,795	202,064	4,653	3,357	6,416	216,491	28,391	4,625			33,016
Nov	207,820	5,336	3,718	6,452	223,326	213,770	5,333	3,961	6,447	229,511	30,727	5,301			36,027
Dec	220,776	6,032	4,867	7,111	238,786	223,215	6,028	4,864	7,106	241,213	32,206	5,992			38,198
Total kW	**2,536,782**	**62,081**	**50,823**	**79,967**	**2,729,653**	**2,608,964**	**62,332**	**51,182**	**79,913**	**2,802,390**	**354,934**	**61,957**	**-**	**-**	**416,891**

2.11 Lost Revenue Adjustment Mechanism (LRAM)

As noted in the Board's CDM Guidelines (EB-2008-0037) unforecasted CDM results can have the effect of eroding distribution revenues due to lower than forecast throughput. The lost revenue adjustment mechanism ("LRAM") is a retrospective adjustment, which is designed to account for differences between the forecast revenue loss embedded in rates and the actual revenue loss.

Waterloo North Hydro is filing an LRAM claim for 2010 and notes that no forecast revenue loss was embedded in its rates in 2010.

Waterloo North Hydro seeks approval for the recovery of its LRAM as part of this Application. Recovery is to be based on a volumetric rate rider commencing May 1, 2012. WNH is proposing a four year recovery period in order to mitigate customer rate impacts, therefore the rate rider would remain in effect until April 30, 2016. This recovery period is consistent with the rate rider approved in Waterloo North Hydro's 2011 Cost of Service Filing. The four years is also consistent with the recovery period requested in Section 2.6 above.

In accordance with the *Report of the Board on the Regulatory Framework for Conservation and Demand Management by Ontario Electricity Distributors in 2007 and Beyond* dated March 2, 2007 where the Board concluded:

"The Board has determined that distributors will be expected to undertake program evaluations, and to provide results to the Board that have been reviewed by a third party."

Waterloo North Hydro contracted Burman Energy Consultants Group Inc. (BECGI) to conduct an independent review of the OPA-sponsored programs. A summary of the business activities undertaken by BECGI is below:

BECGI serves a primary market of local distribution utilities with services in CDM program evaluation, distribution system analysis, regulatory support, utility management, and operations. BECGI tailors its products and services to provide an appropriate level of "bench strength" support that complements a client's existing resources. BECGI has managed both the complete year-end CDM reporting process for LDCs on a turnkey basis, and specialized support in preparation of requisite reporting schedules and supporting TRC analysis. The firm holds its Certification of Authorization from the Professional Engineers of Ontario, and is a commercial steering committee member of the Electricity Distributors Association. More information about BECGI is available at www.burmanenergy.ca.

BECGI has a breadth and depth of experience in the evaluation of CDM program performance and regulatory reporting:

- Prepared LRAM and SSM business cases or third party evaluations for fourteen distributors.

- Originator of the TRC Calculator tool that automates TRC calculations based on OEB assumptions and tables. This tool, and/or TRC support services, are used by more than 25 LDCs. The TRC Calculator was upgraded to automate calculations for LRAM and SSM based on OEB endorsed assumptions and measures.

- Currently one of the largest third-party evaluators of Electricity Retrofit Incentive Program (ERIP) project evaluations.

- Now implementing the Power Savings/Direct Install Program for nearly one-third of the distributors, including project evaluations and audits.

BECGI's review of Waterloo North Hydro's OPA-sponsored CDM activities concluded in the final report which is attached as Attachment Z.

Waterloo North Hydro has prepared its LRAM rate rider request using the results of BECGI's analysis. Carrying Charges have also been included in the calculation of the rate rider request.

BECGI has calculated the Waterloo North Hydro's LRAM claim as $157,267; carrying charges have been calculated at $3,770 for a Total Claim of $161,037.

The LRAM and carrying charge amounts and corresponding rate riders are set out by rate class in Table 2.11a below. To minimize monthly bill impacts over the period when the riders are in effect, a four year recovery period is proposed, as shown in Table 2.11a.

Table 2.11a Proposed LRAM Rate Riders

						Rate Over
Rate Class	**LRAM**	**Carrying Charges**	**Total LRAM Claim**	**kWh**	**kW**	**4 Years**
Residential	$82,537	$1,978	$84,516	393,848,054		0.00005
General Service < 50kW	$42,196	$1,011	$43,207	179,687,810		0.00006
General Service > 50kW	$32,534	$780	$33,314		1,581,207	0.00527
Total	**$157,267**	**$3,770**	**$161,037**			

2.12 Smart Meter Funding Adder

On June 25, 2008 the Government of Ontario approved O. Reg. 235/08 which amended Reg. 427/06 (Smart Meters: Discretionary Metering and Procurement Principles) to add a new category of distributors that are authorized to undertake smart meter activities. This regulation authorizes metering activities pursuant to the Request for Proposal (RFP) for Advanced Metering Infrastructure issued on August 14, 2007 by London Hydro Inc. and other named distributors. Waterloo North Hydro was a named party to the RFP and thus, commenced its smart meter activities.

Waterloo North Hydro received Board approval for a monthly smart meter funding adder in the amount of $1.00 per month per metered customer in its 2009 IRM Rate Decision and maintained this amount in its 2010 IRM and 2011 Cost of Service Filing Rate Decisions. Waterloo North Hydro proposes to maintain the $1.00 monthly smart meter funding adder for 2012. The proposed adjusted smart meter adder is reflected in Sheet 13 of the 2012 Rate Generator Model. The discussion below details the rationale for Waterloo North Hydro's proposal to maintain the Smart Meter Funding Adder (SMFA) at its current level.

In the Board's June 22, 2011 Chapter 3 of the Filing Requirements for Transmission and Distribution Applications, Section 3.5, it stated "The Board also approved a sunset date of April 30, 2012 for the smart meter funding adder for most distributors in their 2011 rate application". Waterloo North Hydro did not have a sunset clause in its approved May 1, 2011 Rates.

In the 'NOTES' tab of the Smart Meter Model issued on September 13, 2011, it states "The Board expects that the majority (i.e. 90% or more) of costs for which the distributor is seeking recover will be audited." Waterloo North Hydro has provided Table 2.12a below in which it provides its actual audited and forecasted costs and which demonstrates that only 84.7% of the total anticipated Smart Meter Costs have been audited.

Waterloo North Hydro has also received an approval (EB-2011-0240) for a TOU extension to January 31, 2012 for certain customers as detailed in the excerpt below.

"Waterloo North Hydro Inc.'s distribution licence ED-2002-0575, 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, for customers in its General Service under 50 kW customer class with meters with improper time-alignment of the consumption intervals. This exemption will expire on January 31, 2012."

In addition, as Waterloo North Hydro stated in its application for the TOU Extension, which has been reproduced below, it is dependent on third parties to resolve the metering issues.

"Based on the information from the Sensus, and the lack of specific time frames, WNH cannot be definitive at this time as to the TOU pricing commencement date. Sensus has stated that it believes that all necessary steps can be completed to have the meters fully compliant by Jan 31, 2012. Unfortunately, remedies for the situation that WNH finds itself in are not in the hands of WNH, but in the hands of Sensus and Measurement Canada."

Thus, Waterloo North Hydro cannot be certain of the accuracy of its forecasted costs to resolve the TOU issues that exist for these customers and as such Waterloo North Hydro is proposing to continue the current SMFA until the costs are more certain.

In summary, Waterloo North Hydro is proposing to continue its existing SMFA at $1.00 per metered customer per month for the following reasons:

- Waterloo North Hydro does not have a sunset clause in its current rate order for the Smart Meter Funding Adder.

- The majority of the costs have not been audited (according to the Board's definition).

- Waterloo North Hydro has a TOU exemption for certain customers to January 31, 2012 and the costs to apply TOU pricing for these customers is uncertain.

Waterloo North Hydro, at this time, anticipates filing for disposition of its Smart Meter Costs in a Standalone Application for a May 1, 2013 effective date.

Table 2.12a – Percentage of Actual Audited to Total Forecasted Costs

Year	Audited Actual or Forecast	Smart Meters Installed			Percentage of applicable customers converted in year (%)	Percentage of applicable customers converted cumulative (%)	Capital Expenditures [3]	Operating Expenses [4 5]	Total for Year	Cumulative Total	% Audited
		Residential	GS < 50 kW	Total							
2006 [1]					0.0%	0.0%			-	-	
2007 [1]					0.0%	0.0%			-	-	
2008	Audited Actual	1,797	64		3.6%	3.6%	631,493		631,493	631,493	
2009	Audited Actual	18,356	571		36.5%	40.1%	4,318,190		4,318,190	4,949,683	
2010	Audited Actual	25,683	2,593		54.5%	94.5%	3,617,602		3,617,602	8,567,285	**84.7%**
2011 [2]	Forecast	610	2,220		5.5%	100.0%	1,006,494	148,253	1,154,747	9,722,032	
2012	Forecast							388,586	388,586	**10,110,618**	
Total		**46,446**	**5,448**	**51,894**	**100.0%**	**100.0%**	**9,573,779**	**536,839**	**10,110,618**		

[1] A pilot project under the Third Tranche CDM Program installed a small number of meters, however, these have been replaced as the meters used in the pilot were not selected as the vendor of choice for the full rollout

[2] WNH has a TOU Extension Approved for approximately 2,900 Three Phase GS<50 kW Customers until January 31, 2012

[3] Gross Capital Additions including Carrying Charges, Accumulated Depreciation has been excluded

[4] Does not include MDM/R Charges

[5] Depreciation Expense has been excluded

2.13 Low Voltage Service Rate

Waterloo North Hydro has included Low Voltage Cost Recovery in its rates since May 1, 2006 and has reflected the increase of subsequent price caps adjustment in its records. Waterloo North Hydro is aware that the price cap index adjustment is no longer applied to the Low Voltage Service Rates and proposes to continue its low voltage cost recovery at its current level.

3.0 Proposed Rates

Waterloo North Hydro has provided the Proposed May 1, 2012 Tariff of Rates and Charges in Table 3.0a below. The Rate Generator Model which calculated the proposed rates and charges and the Tariff Schedule have been submitted in excel format with this application.

Waterloo North Hydro proposes to implement the new rates as of May 1, 2012. Waterloo North Hydro will prorate the customers' bills in order that consumption prior to May 1, 2012 will be billed at its current approved rates and post May 1, 2012 consumption will be billed at the rates proposed in this rate application.

Table 3.0a Proposed May 1, 2012 Tariff of Rate and Charges

Waterloo North Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective Date May 1, 2012

Implementation Date May 1, 2012

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

EB-2011-0201

RESIDENTIAL SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less where the electricity is used exclusively in a separate metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex house, with a residential zoning. Separately metered dwellings within a town house complex or apartment building also qualify as residential customers. All customers are single-phase. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	14.59
Smart Meter Funding Adder	$	1.00
Distribution Volumetric Rate	$/kWh	0.0184
Low Voltage Service Rate - Effective Until	$/kWh	0.0001
Rate Rider for Global Adjustment Sub-Account (2010) – Applicable only for Non-RPP Customers - Effective Until April 30, 2014	$/kWh	0.0003
Rate Rider for Global Adjustment Sub-Account (2011) – Applicable only for Non-RPP Customers - Effective Until April 30, 2014	$/kWh	0.00072
Rate Rider for Deferral/Variance Account Disposition (2010) - Effective Until April 30, 2014	$/kWh	-0.0027
Rate Rider for Deferral/Variance Account Disposition (2011) - Effective Until April 30, 2014	$/kWh	-0.00003
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery - Effective Until April 30, 2015	$/kWh	0.0002
Rate Rider for Capital Gain - Effective Until April 30, 2014	$/kWh	-0.0007
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery (2012) - Effective Until April 30, 2016	$/kWh	0.00005
Rate Rider for Tax Change - Effective Until April 30, 2013	$/kWh	-0.0001
Rate Rider for Deferral/Variance Account Disposition (2012) - Effective Until April 30, 2016	$/kWh	-0.0009
Rate Rider for Global Adjustment Sub-Account (2012) – Applicable only for Non-RPP Customers - Effective Until April 30, 2016	$/kWh	-0.0001
Retail Transmission Rate – Network Service Rate	$/kWh	0.0068
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0023

MONTHLY RATES AND CHARGES – Regulatory Component

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

Waterloo North Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective Date May 1, 2012

Implementation Date May 1, 2012

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

EB-2011-0201

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification applies to a non residential account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 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.

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	30.69
Smart Meter Funding Adder	$	1.00
Distribution Volumetric Rate	$/kWh	0.0137
Low Voltage Service Rate - Effective Until	$/kWh	0.0001
Rate Rider for Global Adjustment Sub-Account (2010) – Applicable only for Non-RPP Customers - Effective Until April 30, 2014	$/kWh	0.0003
Rate Rider for Global Adjustment Sub-Account (2011) – Applicable only for Non-RPP Customers - Effective Until April 30, 2014	$/kWh	0.00072
Rate Rider for Deferral/Variance Account Disposition (2010) - Effective Until April 30, 2014	$/kWh	-0.0027
Rate Rider for Deferral/Variance Account Disposition (2011) - Effective Until April 30, 2014	$/kWh	-0.00003
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery - Effective Until April 30, 2015	$/kWh	0.0001
Rate Rider for Capital Gain - Effective Until April 30, 2014	$/kWh	-0.0004
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery (2012) - Effective Until April 30, 2016	$/kWh	0.00006
Rate Rider for Tax Change - Effective Until April 30, 2013	$/kWh	-0.0001
Rate Rider for Deferral/Variance Account Disposition (2012) - Effective Until April 30, 2016	$/kWh	-0.0008
Rate Rider for Global Adjustment Sub-Account (2012) – Applicable only for Non-RPP Customers - Effective Until April 30, 2016	$/kWh	-0.0001
Retail Transmission Rate – Network Service Rate	$/kWh	0.0062
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0021

MONTHLY RATES AND CHARGES – Regulatory Component

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

Waterloo North Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective Date May 1, 2012

Implementation Date May 1, 2012

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

EB-2011-0201

GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

This classification applies to a non residential account whose average monthly maximum demand used for billing purposes 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. Note that for the application of the Retail Transmission Rate – Network Service Rate and the Retail Transmission Rate – Line and Transformation Connection Service Rate the following sub-classifications apply:

General Service 50 to 999 kW non-interval metered

General Service 50 to 999 kW interval metered

General Service 1,000 to 4,999 kW interval metered.

APPLICATION

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

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	138.76
Smart Meter Funding Adder	$	1.00
Distribution Volumetric Rate	$/kW	4.4369
Low Voltage Service Rate - Effective Until	$/kW	0.0551
Rate Rider for Global Adjustment Sub-Account (2010) – Applicable only for Non-RPP Customers - Effective Until April 30, 2014	$/kW	0.1297
Rate Rider for Global Adjustment Sub-Account (2011) – Applicable only for Non-RPP Customers - Effective Until April 30, 2014	$/kW	0.27956
Rate Rider for Deferral/Variance Account Disposition (2010) - Effective Until April 30, 2014	$/kW	-1.1063
Rate Rider for Deferral/Variance Account Disposition (2011) - Effective Until April 30, 2014	$/kW	-0.06474
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery - Effective Until April 30, 2015	$/kW	0.1495
Rate Rider for Capital Gain - Effective Until April 30, 2014	$/kW	-0.0866
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery (2012) - Effective Until April 30, 2016	$/kW	0.00527
Rate Rider for Tax Change - Effective Until April 30, 2013	$/kW	-0.011
Rate Rider for Deferral/Variance Account Disposition (2012) - Effective Until April 30, 2016	$/kW	-0.274
Rate Rider for Global Adjustment Sub-Account (2012) – Applicable only for Non-RPP Customers - Effective Until April 30, 2016	$/kW	-0.0315
Retail Transmission Rate – Network Service Rate – (less than 1,000 kW)	$/kW	2.5268
Retail Transmission Rate – Network Service Rate – Interval Metered (less than 1,000 kW)	$/kW	2.6838
Retail Transmission Rate – Network Service Rate – Interval Metered (1,000 to 4,999 kW)	$/kW	2.6803
Retail Transmission Rate – Line and Transformation Connection Service Rate – (less than 1,000 kW)	$/kW	0.8012
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered (1,000 to 4,999 kW)	$/kW	0.9996
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered (less than 1,000 kW)	$/kW	1.0008

MONTHLY RATES AND CHARGES – Regulatory Component

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

Waterloo North Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective Date May 1, 2012

Implementation Date May 1, 2012

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EB-2011-0201

LARGE USE SERVICE CLASSIFICATION

This classification applies to an account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 5,000 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	6698.51
Smart Meter Funding Adder	$	1.00
Distribution Volumetric Rate	$/kW	3.2049
Low Voltage Service Rate - Effective Until	$/kW	0.0553
Rate Rider for Global Adjustment Sub-Account (2010) – Applicable only for Non-RPP Customers - Effective Until April 30, 2014	$/kW	0.162
Rate Rider for Global Adjustment Sub-Account (2011) – Applicable only for Non-RPP Customers - Effective Until April 30, 2014	$/kW	0.35873
Rate Rider for Deferral/Variance Account Disposition (2010) - Effective Until April 30, 2014	$/kW	-1.3863
Rate Rider for Deferral/Variance Account Disposition (2011) - Effective Until April 30, 2014	$/kW	-0.09798
Rate Rider for Capital Gain - Effective Until April 30, 2014	$/kW	-0.0678
Rate Rider for Tax Change - Effective Until April 30, 2013	$/kW	-0.0079
Rate Rider for Deferral/Variance Account Disposition (2012) - Effective Until April 30, 2016	$/kW	-0.2979
Rate Rider for Global Adjustment Sub-Account (2012) – Applicable only for Non-RPP Customers - Effective Until April 30, 2016	$/kW	-0.0365
Retail Transmission Rate – Network Service Rate – Interval Metered	$/kW	2.9714
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	$/kW	1.0042

MONTHLY RATES AND CHARGES – Regulatory Component

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

Waterloo North Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective Date May 1, 2012

Implementation Date May 1, 2012

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EB-2011-0201

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less whose average monthly maximum 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 level of the consumption will be agreed to by the distributor and the customer, based on detailed manufacturer information/ documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	$	15.34
Distribution Volumetric Rate	$/kWh	0.019
Low Voltage Service Rate - Effective Until	$/kWh	0.0001
Rate Rider for Global Adjustment Sub-Account (2010) – Applicable only for Non-RPP Customers - Effective Until April 30, 2014	$/kWh	0.0003
Rate Rider for Global Adjustment Sub-Account (2011) – Applicable only for Non-RPP Customers - Effective Until April 30, 2014	$/kWh	0.00072
Rate Rider for Deferral/Variance Account Disposition (2010) - Effective Until April 30, 2014	$/kWh	-0.0027
Rate Rider for Deferral/Variance Account Disposition (2011) - Effective Until April 30, 2014	$/kWh	0.00067
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery - Effective Until April 30, 2015	$/kWh	0.0048
Rate Rider for Capital Gain - Effective Until April 30, 2014	$/kWh	-0.0015
Rate Rider for Tax Change - Effective Until April 30, 2013	$/kWh	-0.0002
Rate Rider for Deferral/Variance Account Disposition (2012) - Effective Until April 30, 2016	$/kWh	-0.0014
Rate Rider for Global Adjustment Sub-Account (2012) – Applicable only for Non-RPP Customers - Effective Until April 30, 2016	$/kWh	-0.0001
Retail Transmission Rate – Network Service Rate	$/kWh	0.0062
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0021

MONTHLY RATES AND CHARGES – Regulatory Component

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

Waterloo North Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective Date May 1, 2012

Implementation Date May 1, 2012

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

EB-2011-0201

STREET LIGHTING SERVICE CLASSIFICATION

This classification applies to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting, 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.

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MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	$	0.33
Distribution Volumetric Rate	$/kW	8.3382
Low Voltage Service Rate - Effective Until	$/kW	0.0341
Rate Rider for Global Adjustment Sub-Account (2011) – Applicable only for Non-RPP Customers - Effective Until April 30, 2014	$/kW	0.10098
Rate Rider for Deferral/Variance Account Disposition (2010) - Effective Until April 30, 2014	$/kW	-0.9707
Rate Rider for Deferral/Variance Account Disposition (2011) - Effective Until April 30, 2014	$/kW	0.02857
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery - Effective Until April 30, 2015	$/kW	0.2475
Rate Rider for Capital Gain - Effective Until April 30, 2014	$/kW	-0.1959
Rate Rider for Tax Change - Effective Until April 30, 2013	$/kW	-0.0229
Rate Rider for Deferral/Variance Account Disposition (2012) - Effective Until April 30, 2016	$/kW	-0.2961
Rate Rider for Global Adjustment Sub-Account (2012) – Applicable only for Non-RPP Customers - Effective Until April 30, 2016	$/kW	-0.0252
Retail Transmission Rate – Network Service Rate	$/kW	1.9058
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	0.6193

MONTHLY RATES AND CHARGES – Regulatory Component

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

Waterloo North Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective Date May 1, 2012

Implementation Date May 1, 2012

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

EB-2011-0201

EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION

This classification applies to an electricity distributor licensed by the Board that is provided electricity by means of this distributor's facilities. 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 the Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Distribution Volumetric Rate	$/kW	0.012
Rate Rider for Global Adjustment Sub-Account (2010) – Applicable only for Non-RPP Customers - Effective Until April 30, 2014	$/kW	0.1297
Rate Rider for Global Adjustment Sub-Account (2011) – Applicable only for Non-RPP Customers - Effective Until April 30, 2014	$/kW	0.27956
Rate Rider for Deferral/Variance Account Disposition (2010) - Effective Until April 30, 2014	$/kW	-1.1063
Rate Rider for Deferral/Variance Account Disposition (2011) - Effective Until April 30, 2014	$/kW	-0.06474
Rate Rider for Deferral/Variance Account Disposition (2012) - Effective Until April 30, 2016	$/kW	-0.0002
Rate Rider for Global Adjustment Sub-Account (2012) – Applicable only for Non-RPP Customers - Effective Until April 30, 2016	$/kW	-0.1982
Rate Rider for Global Adjustment Sub-Account (2012) – Applicable only for Non-RPP Customers	$/kW	-0.0282

MONTHLY RATES AND CHARGES – Regulatory Component

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

Waterloo North Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective Date May 1, 2012

Implementation Date May 1, 2012

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

EB-2011-0201

microFIT GENERATOR SERVICE CLASSIFICATION

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

APPLICATION

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

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule unless required by the Distributor's Licence or a Code or Order ofthe 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, beit under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	5.25

Waterloo North Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective Date May 1, 2012

Implementation Date May 1, 2012

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EB-2011-0201

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)

SPECIFIC SERVICE CHARGES

APPLICATION

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

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

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

Customer Administration

Easement letter	$	15.00
Notification charge	$	15.00
Credit reference/credit check (plus credit agency costs)	$	15.00
Returned cheque charge (plus bank charges)	$	15.00
Duplicate invoices for previous billing	$	15.00
Income tax letter	$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	$	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
Disconnect/Reconnect at meter - during regular hours	$	65.00
Disconnect/Reconnect at meter - after regular hours	$	185.00

Waterloo North Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective Date May 1, 2012

Implementation Date May 1, 2012

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

RETAIL SERVICE CHARGES (if applicable)

APPLICATION

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

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

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

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

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

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

LOSS FACTORS

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

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0404
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0150
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0300
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0050

4.0 Bill Impacts

Waterloo North Hydro has included a bill impact analysis by rate class which details distribution and total bill impacts excluding any changes to the Regulated Price Plan ("RPP) as Table 4.0b.

Waterloo North Hydro remains committed to the principle that significant increases or decreases be managed so as to mitigate undue rate impacts in all rate classes. We are also concerned that customers understand the rate impacts. Two critical measures of the impact analysis for each rate class are the percentage change from current rates, and the respective dollar amount of the impact. Providing both the dollar impact and the percentage change puts the increase or decrease in the proper context. Waterloo North Hydro used both percentages and dollar amounts in Table 4.0a below to demonstrate relative impacts. There is a decrease of (3.59%) to (17.21%) on the distribution portion of the bill and a decrease of (0.580%) to (1.58%) on the total bill including taxes, to all classes after all proposed rate adjustments have been accounted for.

Table 4.0a Summary Bill Impact by Rate Class

Rate Class	Typical kWh Usage	Typical kW Usage	% Distribution Bill Impact	% Total Bill Impact	$ Distribution Bill Impact	$ Total Bill Impact
Residential	800		-4.65%	-1.08%	$ (1.32)	$ (1.17)
GS < 50 kW	2,000		-4.92%	-0.89%	$ (2.67)	$ (2.30)
GS > 50 kW	100,000	250	-8.35%	-0.69%	$ (83.44)	$ (71.81)
Large Use	7,000,000	12,300	-15.85%	-0.58%	$ (4,511.05)	$ (3,815.93)
Unmetered Scattered Load	250		-3.59%	-1.58%	$ (0.75)	$ (0.71)
Street Lighting	50	0.14	-5.18%	-1.14%	$ (0.07)	$ (0.07)
Embedded Distributor	2,375,000	6,000	-17.21%	0.64%	$ (1,195.80)	$ (1,216.13)

Waterloo North Hydro has created its own Bill Impact Analysis Sheets, as it encountered issues in the Rate Generator Model Sheet 21 – namely, the Unmetered Scattered Load kWh did not uplift by the loss factor for energy; the General Service < 50 kW rate class had a default of 600 kWh in the first block in the Rate Generator Model, however, the customers in this rate class are allowed 750 kWh; and the Proposed RTSR Network for the Large User Class was not included in the rate impact analysis.

Waterloo North Hydro has prepared the bill analysis in the format provided in the Revenue Requirement Work Form (RRWF). An Excel Copy of the calculations has been provided.

Table 4.0b Bill Impact Analysis by Rate Class

Customer Class: **Residential**

Consumption 800 **kWh**

		Charge Unit	Current Board-Approved Rate ($)	Volume	Charge ($)	Proposed Rate ($)	Volume	Charge ($)	Impact $ Change	Impact % Change
1	Monthly Service Charge	monthly	$ 14.5600	1	$ 14.56	$ 14.5900	1	$ 14.59	$ 0.03	0.21%
2	Smart Meter Rate Adder	monthly	$ 1.0000	1	$ 1.00	$ 1.0000	1	$ 1.00	$ -	0.00%
3	Service Charge Rate Adder(s)			1	$ -		1	$ -	$ -	
4	Service Charge Rate Rider(s)			1	$ -		1	$ -	$ -	
5	Distribution Volumetric Rate	per kWh	$ 0.0184	800	$ 14.72	$ 0.0184	800	$ 14.72	$ -	0.00%
6	Low Voltage Rate Adder	per kWh	$ 0.0001	800	$ 0.08	$ 0.0001	800	$ 0.08	$ -	0.00%
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	per kWh	$ 0.0002	800	$ 0.16	$ 0.0003	800	$ 0.20	$ 0.04	25.00%
11	Deferral/Variance Account Disposition Rate Rider	per kWh	-$ 0.00273	800	-$ 2.18	-$ 0.00363	800	-$ 2.90	-$ 0.72	32.97%
12	LPP Rate Rider	monthly	$ 0.1900	1	$ 0.19		1	$ -	-$ 0.19	-100.00%
13	Capital Gains Rate Rider	per kWh	-$ 0.0007	800	-$ 0.56	-$ 0.0007	800	-$ 0.56	$ -	0.00%
14	Foregone Revenue Rate Rider	per kWh	$ 0.0005	800	$ 0.40		800	$ -	-$ 0.40	-100.00%
15	Tax Change Rate Rider	per kWh	$ -	800	$ -	-$ 0.0001	800	-$ 0.08	-$ 0.08	
16	**Sub-Total A - Distribution**				**$ 28.37**			**$ 27.05**	**-$ 1.32**	**-4.65%**
17	RTSR - Network	per kWh	$ 0.0067	832.32	$ 5.58	$ 0.0068	832.32	$ 5.66	$ 0.08	1.49%
18	RTSR - Line and Transformation Connection	per kWh	$ 0.0022	832.32	$ 1.83	$ 0.0023	832.32	$ 1.91	$ 0.08	4.55%
19	**Sub-Total B - Delivery (including Sub-Total A)**				**$ 35.77**			**$ 34.62**	**-$ 1.15**	**-3.22%**
20	Wholesale Market Service Charge (WMSC)	per kWh	$ 0.0052	832.32	$ 4.33	$ 0.0052	832.32	$ 4.33	$ -	0.00%
21	Rural and Remote Rate Protection (RRRP)	per kWh	$ 0.0013	832.32	$ 1.08	$ 0.0013	832.32	$ 1.08	$ -	0.00%
22	Special Purpose Charge	per kWh		832.32	$ -		832.32	$ -	$ -	
23	Standard Supply Service Charge	monthly	$ 0.2500	1	$ 0.25	$ 0.2500	1	$ 0.25	$ -	0.00%
24	Debt Retirement Charge (DRC)	per kWh	$ 0.0070	800	$ 5.60	$ 0.0070	800	$ 5.60	$ -	0.00%
25	Energy First Block	per kWh	$ 0.06800	600	$ 40.80	$ 0.06800	600	$ 40.80	$ -	0.00%
26	Energy Second Block	per kWh	$ 0.0790	232.32	$ 18.35	$ 0.0790	232.32	$ 18.35	$ -	0.00%
27					$ -			$ -	$ -	
28	**Total Bill (before Taxes)**				**$ 106.19**			**$ 105.03**	**-$ 1.15**	**-1.09%**
29	HST		13%		$ 13.80	13%		$ 13.65	-$ 0.15	-1.09%
30	**Total Bill (including Sub-total B)**				**$ 119.99**			**$ 118.69**	**-$ 1.30**	**-1.08%**
	Ontario Clean Energy Benefit (OCEB)		-10%		**-$ 12.00**	-10%		**-$ 11.87**	**$ 0.13**	**-1.08%**
	Total Bill (less OCEB)				**$ 107.99**			**$ 106.82**	**-$ 1.17**	**-1.08%**

31	**Loss Factor (%)**	**Note 1**	4.04%	4.04%

Notes:

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

General Service < 50 kW

Consumption 2,000 kWh

		Charge Unit	Current Board-Approved Rate ($)	Volume	Charge ($)	Proposed Rate ($)	Volume	Charge ($)	Impact $ Change	Impact % Change
1	Monthly Service Charge	monthly	$ 30.6300	1	$ 30.63	$ 30.6900	1	$ 30.69	$ 0.06	0.20%
2	Smart Meter Rate Adder	monthly	$ 1.0000	1	$ 1.00	$ 1.0000	1	$ 1.00	$ -	0.00%
3	Service Charge Rate Adder(s)			1	$ -		1	$ -	$ -	
4	Service Charge Rate Rider(s)			1	$ -		1	$ -	$ -	
5	Distribution Volumetric Rate	per kWh	$ 0.0137	2000	$ 27.40	$ 0.0137	2000	$ 27.40	$ -	0.00%
6	Low Voltage Rate Adder	per kWh	$ 0.0001	2000	$ 0.20	$ 0.0001	2000	$ 0.20	$ -	0.00%
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	per kWh	$ 0.0001	2000	$ 0.20	$ 0.0002	2000	$ 0.32	$ 0.12	60.00%
11	Deferral/Variance Account Disposition Rate Rider	per kWh	-$ 0.00273	2000	-$ 5.46	-$ 0.00353	2000	-$ 7.06	-$ 1.60	29.30%
12	LPP Rate Rider	monthly	$ 0.4500	1	$ 0.45			$ -	-$ 0.45	-100.00%
13	Capital Gains Rate Rider	per kWh	-$ 0.0004	2,000	-$ 0.80	-$ 0.0004	2000	-$ 0.80	$ -	0.00%
14	Foregone Revenue Rate Rider	per kWh	$ 0.0003	2,000	$ 0.60			$ -	-$ 0.60	-100.00%
15	Tax Change Rate Rider				$ -	-$ 0.0001	2,000	-$ 0.20	-$ 0.20	
16	**Sub-Total A - Distribution**				**$ 54.22**			**$ 51.55**	**-$ 2.67**	**-4.92%**
17	RTSR - Network	per kWh	$ 0.0061	2080.8	$ 12.69	$ 0.0062	2080.8	$ 12.90	$ 0.21	1.64%
18	RTSR - Line and Transformation Connection	per kWh	$ 0.0020	2080.8	$ 4.16	$ 0.0021	2080.8	$ 4.37	$ 0.21	5.00%
19	**Sub-Total B - Delivery (including Sub-Total A)**				**$ 71.07**			**$ 68.82**	**-$ 2.25**	**-3.17%**
20	Wholesale Market Service Charge (WMSC)	per kWh	$ 0.0052	2080.8	$ 10.82	$ 0.0052	2080.8	$ 10.82	$ -	0.00%
21	Rural and Remote Rate Protection (RRRP)	per kWh	$ 0.0013	2080.8	$ 2.71	$ 0.0013	2080.8	$ 2.71	$ -	0.00%
22	Special Purpose Charge	per kWh		2080.8	$ -		2080.8	$ -	$ -	
23	Standard Supply Service Charge	monthly	$ 0.2500	1	$ 0.25	$ 0.2500	1	$ 0.25	$ -	0.00%
24	Debt Retirement Charge (DRC)	per kWh	$ 0.0070	2000	$ 14.00	$ 0.0070	2000	$ 14.00	$ -	0.00%
25	Energy First Block	per kWh	$ 0.06800	750	$ 51.00	$ 0.06800	750	$ 51.00	$ -	0.00%
26	Energy Second Block	per kWh	$ 0.0790	1330.8	$ 105.13	$ 0.0790	1330.8	$ 105.13	$ -	0.00%
27					$ -			$ -	$ -	
28	**Total Bill (before Taxes)**				**$ 254.98**			**$ 252.73**	**-$ 2.25**	**-0.88%**
29	HST		13%		$ 33.15	13%		$ 32.85	-$ 0.29	-0.88%
30	**Total Bill (including Sub-total B)**				**$ 288.13**			**$ 285.58**	**-$ 2.55**	**-0.89%**
	Ontario Clean Energy Benefit (OCEB)		-10%		**-$ 28.81**	-10%		**-$ 28.56**	**$ 0.26**	**-0.89%**
	Total Bill (less OCEB)				**$ 259.32**			**$ 257.02**	**-$ 2.30**	**-0.89%**
31	**Loss Factor**	**Note 1**	4.04%			4.04%				

Notes:

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

			General Service > 50 kW							
		Consumption	250	kW						
			100,000	kWh						
			Current Board-Approved			Proposed			Impact	
		Charge Unit	Rate ($)	Volume	Charge ($)	Rate ($)	Volume	Charge ($)	$ Change	% Change
1	Monthly Service Charge	monthly	$ 162.82	1	$ 162.82	$ 138.76	1	$ 138.76	-$ 24.06	-14.78%
2	Smart Meter Rate Adder	monthly	$ 1.0000	1	$ 1.00	$ 1.0000	1	$ 1.00	$ -	0.00%
3	Service Charge Rate Adder(s)			1	$ -		1	$ -	$ -	
4	Service Charge Rate Rider(s)			1	$ -		1	$ -	$ -	
5	Distribution Volumetric Rate	per kW	$ 4.3073	250	$ 1,076.83	$ 4.4369	250	$ 1,109.23	$ 32.40	3.01%
6	Low Voltage Rate Adder	per kW	$ 0.0551	250	$ 13.78	$ 0.0551	250	$ 13.78	$ -	0.00%
7	Volumetric Rate Adder(s)			250	$ -		250	$ -	$ -	
8	Volumetric Rate Rider(s)			250	$ -		250	$ -	$ -	
9	Smart Meter Disposition Rider			250	$ -		250	$ -	$ -	
10	LRAM & SSM Rate Rider	per kW	$ 0.1495	250	$ 37.38	$ 0.1548	250	$ 38.69	$ 1.32	3.53%
11	Deferral/Variance Account Disposition Rate Rider	per kW	-$ 1.17104	250	-$ 292.76	-$ 1.44504	250	-$ 361.26	-$ 68.50	23.40%
12	LPP Rate Rider	monthly	$ 6.6700	1	$ 6.67		1	$ -	-$ 6.67	-100.00%
13	Capital Gains Rate Rider	per kW	-$ 0.0866	250	-$ 21.65	-$ 0.0866	250	-$ 21.65	$ -	0.00%
14	Foregone Revenue Rate Rider	per kW	$ 0.0584	250	$ 14.60		250	$ -	-$ 14.60	-100.00%
15	Low Voltage Rate Rider	per kW	$ 0.0023	250	$ 0.58		250	$ -	-$ 0.58	-100.00%
	Tax Change Rate Rider	per kW				-$ 0.0110	250	-$ 2.75	-$ 2.75	
16	**Sub-Total A - Distribution**				**$ 999.23**			**$ 915.79**	**-$ 83.44**	**-8.35%**
17	RTSR - Network	per kW	$ 2.4945	250	$ 623.63	$ 2.5268	250	$ 631.70	$ 8.08	1.29%
18	RTSR - Line and Transformation Connection	per kW	$ 0.7822	250	$ 195.55	$ 0.8012	250	$ 200.30	$ 4.75	2.43%
19	**Sub-Total B - Delivery (including Sub-Total A)**				**$ 1,818.41**			**$ 1,747.79**	**-$ 70.61**	**-3.88%**
20	Wholesale Market Service Charge (WMSC)	per kWh	$ 0.0052	104,040	$ 541.01	$ 0.0052	104,040	$ 541.01	$ -	0.00%
21	Rural and Remote Rate Protection (RRRP)	per kWh	$ 0.0013	104,040	$ 135.25	$ 0.0013	104,040	$ 135.25	$ -	0.00%
22	Special Purpose Charge	per kWh		104,040	$ -		104,040	$ -	$ -	
23	Standard Supply Service Charge	monthly	$ 0.2500	1	$ 0.25	$ 0.2500	1	$ 0.25	$ -	0.00%
24	Debt Retirement Charge (DRC)	per kWh	$ 0.0070	100,000	$ 700.00	$ 0.0070	100,000	$ 700.00	$ -	0.00%
25	Energy	per kWh	$ 0.06800	104,040	$ 7,074.72	$ 0.06800	104,040	$ 7,074.72	$ -	0.00%
26					$ -			$ -	$ -	
27					$ -			$ -	$ -	
28	**Total Bill (before Taxes)**				**$ 10,269.64**			**$ 10,199.02**	**-$ 70.61**	**-0.69%**
29	HST		13%		$ 1,335.05	13%		$ 1,325.87	-$ 9.18	-0.69%
30	**Total Bill (including Sub-total B)**				**$ 11,604.69**			**$ 11,524.90**	**-$ 79.79**	**-0.69%**
	Ontario Clean Energy Benefit (OCEB)		-10%		**-$ 1,160.47**	-10%		**-$ 1,152.49**	**$ 7.98**	**-0.69%**
	Total Bill (less OCEB)				**$ 10,444.22**			**$ 10,372.41**	**-$ 71.81**	**-0.69%**

31	**Loss Factor (%)**	**Note 1**	4.04%	4.04%

Notes:

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

			Large Use								
		Consumption	12,300	kW							
			7,000,000	kWh							
			Current Board-Approved			Proposed			Impact		
		Charge Unit	Rate ($)	Volume	Charge ($)	Rate ($)	Volume	Charge ($)	$ Change	% Change
1	Monthly Service Charge	monthly	$ 6,686.47	1	$ 6,686.47	$ 6,698.51	1	$ 6,698.51	$ 12.04	0.18%
2	Smart Meter Rate Adder	monthly	$ 1.0000	1	$ 1.00	$ 1.0000	1	$ 1.00	$ -	0.00%
3	Service Charge Rate Adder(s)			1	$ -		1	$ -	$ -	
4	Service Charge Rate Rider(s)			1	$ -		1	$ -	$ -	
5	Distribution Volumetric Rate	per kW	$ 3.1991	12,300	$ 39,348.93	$ 3.2049	12,300	$ 39,420.27	$ 71.34	0.18%
6	Low Voltage Rate Adder	per kW	$ 0.0553	12,300	$ 680.19	$ 0.0553	12,300	$ 680.19	$ -	0.00%
7	Volumetric Rate Adder(s)			12,300	$ -		12,300	$ -	$ -	
8	Volumetric Rate Rider(s)			12,300	$ -		12,300	$ -	$ -	
9	Smart Meter Disposition Rider			12,300	$ -		12,300	$ -	$ -	
10	LRAM & SSM Rate Rider	per kW	$ -	12,300	$ -	$ -	12,300	$ -	$ -	
11	Deferral/Variance Account Disposition Rate Rider	per kW	-$ 1.48428	12,300	-$ 18,256.64	-$ 1.78218	12,300	-$ 21,920.81	-$ 3,664.17	20.07%
12	LPP Rate Rider	monthly	$ 251.3000	1	$ 251.30			$ -	-$ 251.30	-100.00%
13	Capital Gains Rate Rider	per kW	-$ 0.0678	12,300	-$ 833.94	-$ 0.0678	12,300	-$ 833.94	$ -	0.00%
14	Foregone Revenue Rate Rider	per kW	$ 0.0457	12,300	$ 562.11			$ -	-$ 562.11	-100.00%
	Tax Change Rate Rider	per kW			$ -	-$ 0.0079	12,300	-$ 97.17	-$ 97.17	
15	Low Voltage Rate Rider	per kW	$ 0.0016	12,300	$ 19.68			$ -	-$ 19.68	-100.00%
16	**Sub-Total A - Distribution**				**$ 28,459.10**			**$ 23,948.05**	**-$ 4,511.05**	**-15.85%**
17	RTSR - Network	per kW	$ 2.9335	12,300	$ 36,082.05	$ 2.9714	12,300	$ 36,548.22	$ 466.17	1.29%
18	RTSR - Line and Transformation Connection	per kW	$ 0.9804	12,300	$ 12,058.92	$ 1.0042	12,300	$ 12,351.66	$ 292.74	2.43%
19	**Sub-Total B - Delivery (including Sub-Total A)**				**$ 76,600.07**			**$ 72,847.93**	**-$ 3,752.14**	**-4.90%**
20	Wholesale Market Service Charge (WMSC)	per kWh	$ 0.0052	7,035,000	$ 36,582.00	$ 0.0052	7,035,000	$ 36,582.00	$ -	0.00%
21	Rural and Remote Rate Protection (RRRP)	per kWh	$ 0.0013	7,035,000	$ 9,145.50	$ 0.0013	7,035,000	$ 9,145.50	$ -	0.00%
22	Special Purpose Charge	per kWh		7,035,000	$ -		7,035,000	$ -	$ -	
23	Standard Supply Service Charge	monthly	$ 0.2500	1	$ 0.25	$ 0.2500	1	$ 0.25	$ -	0.00%
24	Debt Retirement Charge (DRC)	per kWh	$ 0.0070	7,000,000	$ 49,000.00	$ 0.0070	7,000,000	$ 49,000.00	$ -	0.00%
25	Energy	per kWh	$ 0.06800	7,035,000	$ 478,380.00	$ 0.06800	7,035,000	$ 478,380.00	$ -	0.00%
26					$ -			$ -	$ -	
27					$ -			$ -	$ -	
28	**Total Bill (before Taxes)**				**$ 649,707.82**			**$ 645,955.68**	**-$ 3,752.14**	**-0.58%**
29	HST		13%		$ 84,462.02	13%		$ 83,974.24	-$ 487.78	-0.58%
30	**Total Bill (including Sub-total B)**				**$ 734,169.83**			**$ 729,929.91**	**-$ 4,239.92**	**-0.58%**
	Ontario Clean Energy Benefit (OCEB)		-10%		**-$ 73,416.98**	-10%		**-$ 72,992.99**	**$ 423.99**	**-0.58%**
	Total Bill (less OCEB)				**$ 660,752.85**			**$ 656,936.92**	**-$ 3,815.93**	**-0.58%**
31	**Loss Factor (%)**	**Note 1**	0.50%			0.50%				

Notes:

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

Unmetered Scattered Load

Consumption 250 kWh

			Current Board-Approved			Proposed			Impact	
		Charge Unit	Rate ($)	Volume	Charge ($)	Rate ($)	Volume	Charge ($)	$ Change	% Change
1	Monthly Service Charge	monthly	$ 15.31	1	$ 15.31	$ 15.34	1	$ 15.34	$ 0.03	0.20%
2	Smart Meter Rate Adder	monthly		1	$ -		1	$ -	$ -	
3	Service Charge Rate Adder(s)			1	$ -		1	$ -	$ -	
4	Service Charge Rate Rider(s)			1	$ -		1	$ -	$ -	
5	Distribution Volumetric Rate	per kWh	$ 0.0190	250	$ 4.75	$ 0.0190	250	$ 4.75	$ -	0.00%
6	Low Voltage Rate Adder	per kWh	$ 0.0001	250	$ 0.03	$ 0.0001	250	$ 0.03	$ -	0.00%
7	Volumetric Rate Adder(s)			250	$ -		250	$ -	$ -	
8	Volumetric Rate Rider(s)			250	$ -		250	$ -	$ -	
9	Smart Meter Disposition Rider			250	$ -		250	$ -	$ -	
10	LRAM & SSM Rider	per kWh	$ 0.0048	250	$ 1.20	$ 0.0048	250	$ 1.20	$ -	0.00%
11	Deferral/Variance Account Disposition Rate Rider	per kWh	-$ 0.00203	250	-$ 0.51	-$ 0.00343	250	-$ 0.86	-$ 0.35	68.97%
12	LPP Rate Rider	monthly	$ 0.1400		$ -			$ -	$ -	
13	Capital Gains Rate Rider	per kWh	-$ 0.0015		$ -	-$ 0.0015	250	-$ 0.38	-$ 0.38	
14	Foregone Revenue Rate Rider	per kWh	$ 0.0008		$ -			$ -	$ -	
15	Tax Change Rate Rider	per kWh			$ -	-$ 0.0002	250	-$ 0.05	-$ 0.05	
16	**Sub-Total A - Distribution**				**$ 20.78**			**$ 20.03**	**-$ 0.75**	**-3.59%**
17	RTSR - Network	per kWh	$ 0.0061	260.1	$ 1.59	$ 0.0062	260.1	$ 1.61	$ 0.03	1.64%
18	RTSR - Line and Transformation Connection	per kWh	$ 0.0020	260.1	$ 0.52	$ 0.0021	260.1	$ 0.55	$ 0.03	5.00%
19	**Sub-Total B - Delivery (including Sub-Total A)**				**$ 22.88**			**$ 22.19**	**-$ 0.69**	**-3.03%**
20	Wholesale Market Service Charge (WMSC)	per kWh	$ 0.0052	260.1	$ 1.35	$ 0.0052	260.1	$ 1.35	$ -	0.00%
21	Rural and Remote Rate Protection (RRRP)	per kWh	$ 0.0013	260.1	$ 0.34	$ 0.0013	260.1	$ 0.34	$ -	0.00%
22	Special Purpose Charge	per kWh		260.1	$ -		260.1	$ -	$ -	
23	Standard Supply Service Charge	monthly	$ 0.2500	1	$ 0.25	$ 0.2500	1	$ 0.25	$ -	0.00%
24	Debt Retirement Charge (DRC)	per kWh	$ 0.0070	250	$ 1.75	$ 0.0070	250	$ 1.75	$ -	0.00%
25	Energy	per kWh	$ 0.06800	260.1	$ 17.69	$ 0.06800	260.1	$ 17.69	$ -	0.00%
26					$ -			$ -	$ -	
27					$ -			$ -	$ -	
28	**Total Bill (before Taxes)**				**$ 44.26**			**$ 43.57**	**-$ 0.69**	**-1.57%**
29	HST		13%		$ 5.75	13%		$ 5.66	-$ 0.09	-1.57%
30	**Total Bill (including Sub-total B)**				**$ 50.02**			**$ 49.23**	**-$ 0.79**	**-1.58%**
	Ontario Clean Energy Benefit (OCEB)		-10%		**-$ 5.00**	-10%		**-$ 4.92**	**$ 0.08**	**-1.58%**
	Total Bill (less OCEB)				**$ 45.02**			**$ 44.31**	**-$ 0.71**	**-1.58%**
31	**Loss Factor**	**Note 1**	4.04%			4.04%				

Notes:

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

Street Lighting

			Consumption	0.14	kW								
				50	kWh								
				Current Board-Approved				Proposed			Impact		
		Charge Unit		Rate ($)	Volume	Charge ($)		Rate ($)	Volume	Charge ($)	$ Change	% Change	
1	Monthly Service Charge	monthly	$	0.33	1	$	0.33	$ 0.33	1	$ 0.33	$ -	0.00%	
2	Smart Meter Rate Adder	monthly			1	$	-		1	$ -	$ -		
3	Service Charge Rate Adder(s)				1	$	-		1	$ -	$ -		
4	Service Charge Rate Rider(s)				1	$	-		1	$ -	$ -		
5	Distribution Volumetric Rate	per kW	$	8.3232	0.14	$	1.17	$ 8.3382	0.14	$ 1.17	$ 0.00	0.18%	
6	Low Voltage Rate Adder	per kW	$	0.0341	0.14	$	0.00	$ 0.0341	0.14	$ 0.00	$ -	0.00%	
7	Volumetric Rate Adder(s)				0.14	$	-		0.14	$ -	$ -		
8	Volumetric Rate Rider(s)				0.14	$	-		0.14	$ -	$ -		
9	Smart Meter Disposition Rider				0.14	$	-		0.14	$ -	$ -		
10	LRAM & SSM Rate Rider	per kW	$	0.2475	0.14	$	0.03	$ 0.2475	0.14	$ 0.03	$ -	0.00%	
11	Deferral/Variance Account Disposition Rate Rider	per kW	-$	0.9421	0.14	-$	0.13	-$ 1.23823	0.14	-$ 0.17	-$ 0.04	31.43%	
12	LPP Rate Rider	monthly	$	0.0100	1	$	0.01			$ -	-$ 0.01	-100.00%	
13	Capital Gains Rate Rider	per kW	-$	0.1959	0.14	-$	0.03	-$ 0.1959	0.14	-$ 0.03	$ -	0.00%	
14	Foregone Revenue Rate Rider	per kW	$	0.1435	0.14	$	0.02			$ -	-$ 0.02	-100.00%	
	Tax Change Rate Rider	per kW				$	-	-$ 0.0229	0.14	-$ 0.00	-$ 0.00		
15	Low Voltage Rate Rider	per kW	$	0.0010	0.14	$	0.00			$ -	-$ 0.00	-100.00%	
16	**Sub-Total A - Distribution**					**$**	**1.41**			**$ 1.33**	**-$ 0.07**	**-5.18%**	
17	RTSR - Network	per kW	$	1.8815	0.14	$	0.26	$ 1.9058	0.14	$ 0.27	$ 0.00	1.29%	
18	RTSR - Line and Transformation Connection	per kW	$	0.6046	0.14	$	0.08	$ 0.6193	0.14	$ 0.09	$ 0.00	2.43%	
19	**Sub-Total B - Delivery (including Sub-Total A)**					**$**	**1.75**			**$ 1.69**	**-$ 0.07**	**-3.84%**	
20	Wholesale Market Service Charge (WMSC)	per kWh	$	0.0052	52	$	0.27	$ 0.0052	52	$ 0.27	$ -	0.00%	
21	Rural and Remote Rate Protection (RRRP)	per kWh	$	0.0013	52	$	0.07	$ 0.0013	52	$ 0.07	$ -	0.00%	
22	Special Purpose Charge	per kWh			52	$	-		52	$ -	$ -		
23	Standard Supply Service Charge	monthly	$	0.2500	1	$	0.25	$ 0.2500	1	$ 0.25	$ -	0.00%	
24	Debt Retirement Charge (DRC)	per kWh	$	0.0070	50	$	0.35	$ 0.0070	50	$ 0.35	$ -	0.00%	
25	Energy	per kWh	$	0.06800	52	$	3.54	$ 0.06800	52	$ 3.54	$ -	0.00%	
26						$	-			$ -	$ -		
27						$	-			$ -	$ -		
28	**Total Bill (before Taxes)**					**$**	**6.23**			**$ 6.16**	**-$ 0.07**	**-1.08%**	
29	HST			13%		$	0.81	13%		$ 0.80	-$ 0.01	-1.08%	
30	**Total Bill (including Sub-total B)**					**$**	**7.04**			**$ 6.96**	**-$ 0.08**	**-1.14%**	
	Ontario Clean Energy Benefit (OCEB)			-10%		**-$**	**0.70**	-10%		**-$ 0.70**	**$ 0.01**	**-1.14%**	
	Total Bill (less OCEB)					**$**	**6.34**			**$ 6.26**	**-$ 0.07**	**-1.14%**	
31	**Loss Factor (%)**	**Note 1**		4.04%				4.04%					

Notes:

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

			Embedded Distributor							
		Consumptio	6,000	kW						
			2,375,000	kWh						
			Current Board-Approved			Proposed			Impact	
		Charge Unit	Rate ($)	Volume	Charge ($)	Rate ($)	Volume	Charge ($)	$ Change	% Change
1	Monthly Service Charge	monthly		1	$ -		1	$ -	$ -	
2	Smart Meter Rate Adder	monthly		1	$ -		1	$ -	$ -	
3	Service Charge Rate Adder(s)			1	$ -		1	$ -	$ -	
4	Service Charge Rate Rider(s)			1	$ -		1	$ -	$ -	
5	Distribution Volumetric Rate	per kW	$ 0.0120	6,000	$ 72.00	$ 0.0120	6,000	$ 72.00	$ -	0.00%
6	Low Voltage Rate Adder	per kW		6,000	$ -		6,000	$ -	$ -	
7	Volumetric Rate Adder(s)			6,000	$ -		6,000	$ -	$ -	
8	Volumetric Rate Rider(s)			6,000	$ -		6,000	$ -	$ -	
9	Smart Meter Disposition Rider			6,000	$ -		6,000	$ -	$ -	
10	LRAM & SSM Rate Rider	per kW		6,000	$ -		6,000	$ -	$ -	
11	Deferral/Variance Account Disposition Rate Rider	per kW	-$ 1.17104	6,000	-$ 7,026.24	-$1.36924	6,000	-$ 8,215.44	-$1,189.20	16.93%
12				1	$ -		1	$ -	$ -	
13	Capital Gains Rate Rider	per kW	-$ 0.0002	6,000	-$ 1.20	-$ 0.0002	6,000	-$ 1.20	$ -	0.00%
14	Foregone Revenue Rate Rider	per kW	$ 0.0011	6,000	$ 6.60		6,000	$ -	-$ 6.60	-100.00%
15				6,000	$ -		6,000	$ -	$ -	
							6,000	$ -	$ -	
16	**Sub-Total A - Distribution**				**-$ 6,948.84**			**-$ 8,144.64**	**-$1,195.80**	**-17.21%**
17	RTSR - Network	per kW		6,000	$ -		6,000	$ -	$ -	
18	RTSR - Line and Transformation Connection	per kW		6,000	$ -		6,000	$ -	$ -	
19	**Sub-Total B - Delivery (including Sub-Total A)**				**-$ 6,948.84**			**-$ 8,144.64**	**-$1,195.80**	**-17.21%**
20	Wholesale Market Service Charge (WMSC)	per kWh	$ 0.0052	2,386,875	$ 12,411.75	$ 0.0052	2,386,875	$ 12,411.75	$ -	0.00%
21	Rural and Remote Rate Protection (RRRP)	per kWh	$ 0.0013	2,386,875	$ 3,102.94	$ 0.0013	2,386,875	$ 3,102.94	$ -	0.00%
22	Special Purpose Charge	per kWh		2,386,875	$ -		2,386,875	$ -	$ -	
23	Standard Supply Service Charge	monthly	$ 0.2500	1	$ 0.25	$ 0.2500	1	$ 0.25	$ -	0.00%
24	Debt Retirement Charge (DRC)	per kWh	$ 0.0070	2,375,000	$ 16,625.00	$ 0.0070	2,375,000	$ 16,625.00	$ -	0.00%
25	Energy	per kWh	$ 0.06800	2,386,875	$162,307.50	$0.06800	2,386,875	$162,307.50	$ -	0.00%
26					$ -			$ -	$ -	
27					$ -			$ -	$ -	
28	**Total Bill (before Taxes)**				**$187,498.60**			**$186,302.80**	**-$1,195.80**	**-0.64%**
29	HST		13%		$ 24,374.82	13%		$ 24,219.36	-$ 155.45	-0.64%
30	**Total Bill (including Sub-total B)**				**$211,873.42**			**$210,522.16**	**-$1,351.26**	**-0.64%**
	Ontario Clean Energy Benefit (OCEB)		-10%		**-$ 21,187.34**	-10%		**-$ 21,052.22**	**$ 135.13**	**-0.64%**
	Total Bill (less OCEB)				**$190,686.08**			**$189,469.94**	**-$1,216.13**	**-0.64%**
31	**Loss Factor (%)**	**Note 1**	0.50%			0.50%				

Notes:

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

Dated at Waterloo, Ontario this 26th day of October 2011.

Original signed by

_____
Rene W. Gatien, P. Eng., MBA
President & CEO
Waterloo North Hydro Inc.

Attachment A

Rate Generator Model




V1.4

Ontario Energy Board

3RD Generation Incentive Regulation Model

Choose Your Utility:

Waterloo North Hydro Inc.
Welland Hydro-Electric System Corp.

Application Type: IRM3
OEB Application #: EB-2011-0201
LDC Licence #: ED-2002-0575

Application Contact Information

Name:	Albert P. Singh
Title:	VP Finance & CFO
Phone Number:	519-888-5542
Email Address:	asingh@wnhydro.com
We are applying for rates effective:	May 1, 2012
Please indicate the version of Microsoft Excel that you are currently using:	Excel 2010

Legend

DROP-DOWN MENU

INPUT FIELD

CALCULATION FIELD

Copyright

This Workbook Model is protected by copyright and is being made available to you solely for the purpose of filing your IRM application. You may use and copy this model for that purpose, and provide a copy of this model to any person that is advising or assisting you in that regard. Except as indicated above, any copying, reproduction, publication, sale, adaptation, translation, modification, reverse engineering or other use or dissemination of this model without the express written consent of the Ontario Energy Board is prohibited. If you provide a copy of this model to a person that is advising or assisting you in preparing the application or reviewing your draft rate order, you must ensure that the person understands and agrees to the restrictions noted above.

While this model has been provided in Excel format and is required to be filed with the applications, the onus remains on



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Ontario Energy Board

3RD Generation Incentive Regulation Model

Waterloo North Hydro Inc. - EB-2011-0201

Select the appropriate rate classes as they appear on your most recent Board-Approved Tariff of Rates and Charges.
Note: The microFIT class does not exist in the drop-down menu below as it will automatically be inserted into your proposed Tariff Schedule.

Rate Class
Residential
General Service Less Than 50 kW
General Service 50 to 4,999 kW
Large Use
Unmetered Scattered Load
Street Lighting
Embedded Distributor
Choose Rate Class
Choose Rate Class
Choose Rate Class
Choose Rate Class
Choose Rate Class
Choose Rate Class
Choose Rate Class
Choose Rate Class
Choose Rate Class
Choose Rate Class
Choose Rate Class
Choose Rate Class
Choose Rate Class
Choose Rate Class
Choose Rate Class



Ontario Energy Board

3RD Generation Incentive Regulation Model

Waterloo North Hydro Inc. - EB-2011-0201

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

Rate Description	Unit	Amount	Effective Until Date
Residential			
Service Charge	$	14.56	
Smart Meter Funding Adder	$	1.00	
Rate Rider for Recovery of Late Payment Penalty Litigation Costs	$	0.19	April 30, 2012
General Service Less Than 50 kW			
Service Charge	$	30.63	
Smart Meter Funding Adder	$	1.00	
Rate Rider for Recovery of Late Payment Penalty Litigation Costs	$	0.45	April 30, 2012
General Service 50 to 4,999 kW			
Service Charge	$	162.82	
Smart Meter Funding Adder	$	1.00	
Rate Rider for Recovery of Late Payment Penalty Litigation Costs	$	6.67	April 30, 2012
Large Use			
Service Charge	$	6686.47	
Smart Meter Funding Adder	$	1.00	
Rate Rider for Recovery of Late Payment Penalty Litigation Costs	$	251.30	April 30, 2012
Unmetered Scattered Load			
Service Charge (per connection)	$	15.31	
Rate Rider for Recovery of Late Payment Penalty Litigation Costs	$	0.14	April 30, 2012
Street Lighting			
Service Charge (per connection)	$	0.33	
Rate Rider for Recovery of Late Payment Penalty Litigation Costs	$	0.01	April 30, 2012
Embedded Distributor			



Ontario Energy Board

3RD Generation Incentive Regulation Model

Waterloo North Hydro Inc. - EB-2011-0201

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

Rate Description	Unit	Amount
Residential	$/kWh	0.01840
General Service Less Than 50 kW	$/kWh	0.01370
General Service 50 to 4,999 kW	$/kW	4.30730
Large Use	$/kW	3.19910
Unmetered Scattered Load	$/kWh	0.01900
Street Lighting	$/kW	8.32320
Embedded Distributor	$/kW	0.01200



Ontario Energy Board

3RD Generation Incentive Regulation Model

Waterloo North Hydro Inc. - EB-2011-0201

Please enter the descriptions of all other current Variable Rates, including any applicable low voltage charges, rate riders, rate adders, etc. from your most recent Board-Approved Tariff of Rates and Charges by using the drop-down menus located under the column labeled "Rate Description". If the description is not found in the drop-down menu, please enter the description of the associated rate in the green cells exactly as it appears on the tariff. Once a description is selected or entered into the green cells, the input cells for the "Unit", "Amount", and "Effective Date" will appear. **Note: Do not enter the WMSR or RRRP Rate below. These rates will appear automatically on the final Tariff of Rates and Charges.

Rate Description	Unit	Amount	Effective Until Date
Residential			
Low Voltage Service Rate	$/kWh	0.00010	
Rate Rider for Global Adjustment Sub-Account (2010) – Applicable only for Non-RPP Customers	$/kWh	0.00030	April 30, 2014
Rate Rider for Global Adjustment Sub-Account (2011) – Applicable only for Non-RPP Customers	$/kWh	0.00072	April 30, 2014
Rate Rider for Deferral/Variance Account Disposition (2010)	$/kWh	(0.00270)	April 30, 2014
Rate Rider for Deferral/Variance Account Disposition (2011)	$/kWh	(0.00003)	April 30, 2014
Rate Rider for Foregone Incremental Revenue	$/kWh	0.00050	April 30, 2012
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery	$/kWh	0.00020	April 30, 2015
Rate Rider for Capital Gain	$/kWh	(0.00070)	April 30, 2014
General Service Less Than 50 kW			
Low Voltage Service Rate	$/kWh	0.00010	
Rate Rider for Global Adjustment Sub-Account (2010) – Applicable only for Non-RPP Customers	$/kWh	0.00030	April 30, 2014
Rate Rider for Global Adjustment Sub-Account (2011) – Applicable only for Non-RPP Customers	$/kWh	0.00072	April 30, 2014
Rate Rider for Deferral/Variance Account Disposition (2010)	$/kWh	(0.00270)	April 30, 2014
Rate Rider for Deferral/Variance Account Disposition (2011)	$/kWh	(0.00003)	April 30, 2014
Rate Rider for Foregone Incremental Revenue	$/kWh	0.00030	April 30, 2012
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery	$/kWh	0.00010	April 30, 2015
Rate Rider for Capital Gain	$/kWh	(0.00040)	April 30, 2014
General Service 50 to 4,999 kW			
Low Voltage Service Rate	$/kW	0.05510	
Rate Rider for Global Adjustment Sub-Account (2010) – Applicable only for Non-RPP Customers	$/kW	0.12970	April 30, 2014
Rate Rider for Global Adjustment Sub-Account (2011) – Applicable only for Non-RPP Customers	$/kW	0.27956	April 30, 2014
Rate Rider for Deferral/Variance Account Disposition (2010)	$/kW	(1.10630)	April 30, 2014
Rate Rider for Deferral/Variance Account Disposition (2011)	$/kW	(0.06474)	April 30, 2014
Rate Rider for Foregone Incremental Revenue for Low Voltage Service	$/kW	0.00230	April 30, 2012
Rate Rider for Foregone Incremental Revenue	$/kW	0.05840	April 30, 2012
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery	$/kW	0.14950	April 30, 2015
Rate Rider for Capital Gain	$/kW	(0.08660)	April 30, 2014
Large Use			
Low Voltage Service Rate	$/kW	0.05530	
Rate Rider for Global Adjustment Sub-Account (2010) – Applicable only for Non-RPP Customers	$/kW	0.16200	April 30, 2014
Rate Rider for Global Adjustment Sub-Account (2011) – Applicable only for Non-RPP Customers	$/kW	0.35873	April 30, 2014

Rate Rider for Deferral/Variance Account Disposition (2010)	$/kW	(1.38630)	April 30, 2014
Rate Rider for Deferral/Variance Account Disposition (2011)	$/kW	(0.09798)	April 30, 2014
Rate Rider for Foregone Incremental Revenue for Low Voltage Service	$/kW	0.00160	April 30, 2012
Rate Rider for Foregone Incremental Revenue	$/kW	0.04570	April 30, 2012
Rate Rider for Capital Gain	$/kW	(0.06780)	April 30, 2014

Unmetered Scattered Load

Low Voltage Service Rate	$/kWh	0.00010	
Rate Rider for Global Adjustment Sub-Account (2010) – Applicable only for Non-RPP Customers	$/kWh	0.00030	April 30, 2014
Rate Rider for Global Adjustment Sub-Account (2011) – Applicable only for Non-RPP Customers	$/kWh	0.00072	April 30, 2014
Rate Rider for Deferral/Variance Account Disposition (2010)	$/kWh	(0.00270)	April 30, 2014
Rate Rider for Deferral/Variance Account Disposition (2011)	$/kWh	0.00067	April 30, 2014
Rate Rider for Foregone Incremental Revenue	$/kWh	0.00080	April 30, 2012
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery	$/kWh	0.00480	April 30, 2015
Rate Rider for Capital Gain	$/kWh	(0.00150)	April 30, 2014

Street Lighting

Low Voltage Service Rate	$/kW	0.03410	
Rate Rider for Global Adjustment Sub-Account (2011) – Applicable only for Non-RPP Customers	$/kW	0.10098	April 30, 2014
Rate Rider for Deferral/Variance Account Disposition (2010)	$/kW	(0.97070)	April 30, 2014
Rate Rider for Deferral/Variance Account Disposition (2011)	$/kW	0.02857	April 30, 2014
Rate Rider for Foregone Incremental Revenue for Low Voltage Service	$/kW	0.00100	April 30, 2012
Rate Rider for Foregone Incremental Revenue	$/kW	0.14350	April 30, 2012
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery	$/kW	0.24750	April 30, 2015
Rate Rider for Capital Gain	$/kW	(0.19590)	April 30, 2014

Embedded Distributor

Rate Rider for Global Adjustment Sub-Account (2010) – Applicable only for Non-RPP Customers	$/kW	0.12970	April 30, 2014
Rate Rider for Global Adjustment Sub-Account (2011) – Applicable only for Non-RPP Customers	$/kW	0.27956	April 30, 2014
Rate Rider for Deferral/Variance Account Disposition (2010)	$/kW	(1.10630)	April 30, 2014
Rate Rider for Deferral/Variance Account Disposition (2011)	$/kW	(0.06474)	April 30, 2014
Rate Rider for Foregone Incremental Revenue	$/kW	0.00110	April 30, 2012
Rate Rider for Capital Gain	$/kW	(0.00020)	April 30, 2014



Ontario Energy Board

3RD Generation Incentive Regulation Model

Waterloo North Hydro Inc. - EB-2011-0201

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

Rate Description	Unit	Amount
Residential		
Retail Transmission Rate – Network Service Rate	$/kWh	0.00670
General Service Less Than 50 kW		
Retail Transmission Rate – Network Service Rate	$/kWh	0.00610
General Service 50 to 4,999 kW		
Retail Transmission Rate – Network Service Rate – (less than 1,000 kW)	$/kW	2.49450
Retail Transmission Rate – Network Service Rate – Interval Metered (less than 1,000 kW)	$/kW	2.64950
Retail Transmission Rate – Network Service Rate – Interval Metered (1,000 to 4,999 kW)	$/kW	2.64610
Large Use		
Retail Transmission Rate – Network Service Rate – Interval Metered	$/kW	2.93350
Unmetered Scattered Load		
Retail Transmission Rate – Network Service Rate	$/kWh	0.00610
Street Lighting		
Retail Transmission Rate – Network Service Rate	$/kW	1.88150
Embedded Distributor		



Ontario Energy Board

3RD Generation Incentive Regulation Model

Waterloo North Hydro Inc. - EB-2011-0201

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

Rate Description	Unit	Amount
Residential		
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.00220
General Service Less Than 50 kW		
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.00200
General Service 50 to 4,999 kW		
Retail Transmission Rate – Line and Transformation Connection Service Rate – (less than 1,000 kW)	$/kW	0.78220
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered (1,000 to 4,999 kW	$/kW	0.97590
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered (less than 1,000 kW)	$/kW	0.97710
Large Use		
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	$/kW	0.98040
Unmetered Scattered Load		
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.00200
Street Lighting		
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	0.60460
Embedded Distributor		



Ontario Energy Board

3RD Generation Incentive Regulation Model

Waterloo North Hydro Inc. - EB-2011-0201

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

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

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

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

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

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

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

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

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

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

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

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



Waterloo North Hydro Inc. - EB-2011-0201

lease complete the following continuity schedule for your Group 1 Deferral / Variance Accounts, Account 152
otnotes and further instructions.

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

Account Descriptions	Account Number	2006									
		Opening Principal Amounts as of Jan-1-06	Transactions Debit / (Credit) during 2006 excluding interest and adjustments [5]	Board-Approved Disposition during 2006 [2, 2A]	Adjustments during 2006 - other [3]	Closing Principal Balance as of Dec-31-06	Opening Interest Amounts as of Jan-1-06	Interest Jan-1 to Dec-31-06	Board-Approved Disposition during 2006 [2, 2A]	Adjustments during 2006 - other [3]	Closing Interest Amounts as of Dec-31-06
Group 1 Accounts											
LV Variance Account	1550	$ -				$ -	$ -				$ -
RSVA - Wholesale Market Service Charge	1580	$ -				$ -	$ -				$ -
RSVA - Retail Transmission Network Charge	1584	$ -				$ -	$ -				$ -
RSVA - Retail Transmission Connection Charge	1586	$ -				$ -	$ -				$ -
RSVA - Power (excluding Global Adjustment)	1588	$ -				$ -	$ -				$ -
RSVA - Power - Sub-Account - Global Adjustment	1588	$ -				$ -	$ -				$ -
Recovery of Regulatory Asset Balances	1590	$ -				$ -	$ -				$ -
Disposition and Recovery of Regulatory Balances (2008)[7]	1595	$ -				$ -	$ -				$ -
Disposition and Recovery of Regulatory Balances (2009)[7]	1595	$ -				$ -	$ -				$ -
Group 1 Sub-Total (including Account 1588 - Global Adjustment)		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
RSVA - Power - Sub-Account - Global Adjustment	**1588**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Special Purpose Charge Assessment Variance Account	**1521**										
Deferred Payments in Lieu of Taxes	**1562**					-$ 1,222,774	$ 181,228	-$ 55,638			$ 125,590
Group 1 Total + 1521 + 1562		$ -	$ -	$ -	$ -	-$ 1,222,774	$ 181,228	-$ 55,638	$ -	$ -	$ 125,590
The following is not included in the total claim but are included on a memo basis:											
Board-Approved CDM Variance Account	1567										
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592										
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592										
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Contra Account	1592	$ -				$ -	$ -				$ -
Disposition and Recovery of Regulatory Balances[7]	1595	$ -				$ -	$ -				$ -

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

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

Provide supporting statement indicating whether due to denial of costs in 2006 EDR by the Board, 10% transition costs

Adjustments Instructed by the Board include deferral/variance account balances moved to Account 1590 as a result of t

Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved di

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

For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the trans
If the LDC's 2011 rate year started January 1, the projected interest is recorded from January 1, 2011 to December 31,
Board in the 2011 rate decision. If the LDC's 2011 rate year started May 1, the projected interest is recorded from Janu
recorded from May 1, 2011 to April 30, 2012 on the December 31, 2010 balance adjusted for the disposed balances app

Include Account 1595 as part of Group 1 accounts (line 31) for review and disposition if the recovery (or refund) period h
support the underlying residual balance in account 1595. If the recovery (or refund) period has not been completed, incl



Waterloo North Hydro Inc. - EB-2011-0201

lease complete the following continuity schedule for your Group 1 Deferral / Variance Accounts, Account 152
otnotes and further instructions.

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

Account Descriptions	Account Number	2007									
		Opening Principal Amounts as of Jan-1-07	Transactions Debit / (Credit) during 2007 excluding interest and adjustments [5]	Board-Approved Disposition during 2007	Adjustments during 2007 - other [3]	Closing Principal Balance as of Dec-31-07	Opening Interest Amounts as of Jan-1-07	Interest Jan-1 to Dec-31-07	Board-Approved Disposition during 2007	Adjustments during 2007 - other [3]	Closing Interest Amounts as of Dec-31-07
Group 1 Accounts											
LV Variance Account	1550	$ -				$ -	$ -				$ -
RSVA - Wholesale Market Service Charge	1580	$ -				$ -	$ -				$ -
RSVA - Retail Transmission Network Charge	1584	$ -				$ -	$ -				$ -
RSVA - Retail Transmission Connection Charge	1586	$ -				$ -	$ -				$ -
RSVA - Power (excluding Global Adjustment)	1588	$ -				$ -	$ -				$ -
RSVA - Power - Sub-Account - Global Adjustment	1588	$ -				$ -	$ -				$ -
Recovery of Regulatory Asset Balances	1590	$ -				$ -	$ -				$ -
Disposition and Recovery of Regulatory Balances (2008)[7]	1595	$ -				$ -	$ -				$ -
Disposition and Recovery of Regulatory Balances (2009)[7]	1595	$ -				$ -	$ -				$ -
Group 1 Sub-Total (including Account 1588 - Global Adjustment)		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
RSVA - Power - Sub-Account - Global Adjustment	**1588**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Special Purpose Charge Assessment Variance Account	**1521**										
Deferred Payments in Lieu of Taxes	**1562**	-$ 1,222,774				-$ 1,222,774	$ 125,590	-$ 57,807			$ 67,784
Group 1 Total + 1521 + 1562		-$ 1,222,774	$ -	$ -	$ -	-$ 1,222,774	$ 125,590	-$ 57,807	$ -	$ -	$ 67,784
The following is not included in the total claim but are included on a memo basis:											
Board-Approved CDM Variance Account	1567										
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592										
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592										
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Contra Account	1592	$ -				$ -	$ -				$ -
Disposition and Recovery of Regulatory Balances[7]	1595	$ -				$ -	$ -				$ -

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

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

Provide supporting statement indicating whether due to denial of costs in 2006 EDR by the Board, 10% transition costs

Adjustments Instructed by the Board include deferral/variance account balances moved to Account 1590 as a result of t

Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved di

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

For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the trans
If the LDC's 2011 rate year started January 1, the projected interest is recorded from January 1, 2011 to December 31,
Board in the 2011 rate decision. If the LDC's 2011 rate year started May 1, the projected interest is recorded from Janu
recorded from May 1, 2011 to April 30, 2012 on the December 31, 2010 balance adjusted for the disposed balances app

Include Account 1595 as part of Group 1 accounts (line 31) for review and disposition if the recovery (or refund) period h
support the underlying residual balance in account 1595. If the recovery (or refund) period has not been completed, incl



Waterloo North Hydro Inc. - EB-2011-0201

lease complete the following continuity schedule for your Group 1 Deferral / Variance Accounts, Account 152
otnotes and further instructions.

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

Account Descriptions	Account Number	2008									
		Opening Principal Amounts as of Jan-1-08	Transactions Debit / (Credit) during 2008 excluding interest and adjustments [5]	Board-Approved Disposition during 2008	Adjustments during 2008 - other [3]	Closing Principal Balance as of Dec-31-08	Opening Interest Amounts as of Jan-1-08	Interest Jan-1 to Dec-31-08	Board-Approved Disposition during 2008	Adjustments during 2008 - other [3]	Closing Interest Amounts as of Dec-31-08
Group 1 Accounts											
LV Variance Account	1550	$ -				$ -	$ -				$ -
RSVA - Wholesale Market Service Charge	1580	$ -				$ -	$ -				$ -
RSVA - Retail Transmission Network Charge	1584	$ -				$ -	$ -				$ -
RSVA - Retail Transmission Connection Charge	1586	$ -				$ -	$ -				$ -
RSVA - Power (excluding Global Adjustment)	1588	$ -				$ -	$ -				$ -
RSVA - Power - Sub-Account - Global Adjustment	1588	$ -				$ -	$ -				$ -
Recovery of Regulatory Asset Balances	1590	$ -				$ -	$ -				$ -
Disposition and Recovery of Regulatory Balances (2008)[7]	1595	$ -				$ -	$ -				$ -
Disposition and Recovery of Regulatory Balances (2009)[7]	1595	$ -				$ -	$ -				$ -
Group 1 Sub-Total (including Account 1588 - Global Adjustment)		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
RSVA - Power - Sub-Account - Global Adjustment	**1588**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Special Purpose Charge Assessment Variance Account	**1521**										
Deferred Payments in Lieu of Taxes	**1562**	-$ 1,222,774				-$ 1,222,774	$ 67,784	-$ 48,666			$ 19,117
Group 1 Total + 1521 + 1562		-$ 1,222,774	$ -	$ -	$ -	-$ 1,222,774	$ 67,784	-$ 48,666	$ -	$ -	$ 19,117
The following is not included in the total claim but are included on a memo basis:											
Board-Approved CDM Variance Account	1567										
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592										
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592										
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Contra Account	1592	$ -				$ -	$ -				$ -
Disposition and Recovery of Regulatory Balances[7]	1595	$ -				$ -	$ -				$ -

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

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

Provide supporting statement indicating whether due to denial of costs in 2006 EDR by the Board, 10% transition costs

Adjustments Instructed by the Board include deferral/variance account balances moved to Account 1590 as a result of t

Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved di

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

For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the trans
If the LDC's 2011 rate year started January 1, the projected interest is recorded from January 1, 2011 to December 31,
Board in the 2011 rate decision. If the LDC's 2011 rate year started May 1, the projected interest is recorded from Janu
recorded from May 1, 2011 to April 30, 2012 on the December 31, 2010 balance adjusted for the disposed balances app

Include Account 1595 as part of Group 1 accounts (line 31) for review and disposition if the recovery (or refund) period h
support the underlying residual balance in account 1595. If the recovery (or refund) period has not been completed, incl



Waterloo North Hydro Inc. - EB-2011-0201

lease complete the following continuity schedule for your Group 1 Deferral / Variance Accounts, Account 152
otnotes and further instructions.

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

Account Descriptions	Account Number	2009									
		Opening Principal Amounts as of Jan-1-09	Transactions Debit / (Credit) during 2009 excluding interest and adjustments [5]	Board-Approved Disposition during 2009	Adjustments during 2009 - other [3]	Closing Principal Balance as of Dec-31-09	Opening Interest Amounts as of Jan-1-09	Interest Jan-1 to Dec-31-09	Board-Approved Disposition during 2009	Adjustments during 2009 - other [3]	Closing Interest Amounts as of Dec-31-09
Group 1 Accounts											
LV Variance Account	1550	$ -			$ 5,480	$ 5,480	$ -			-$ 17	-$ 17
RSVA - Wholesale Market Service Charge	1580	$ -			-$ 450,123	-$ 450,123	$ -			-$ 1,076	-$ 1,076
RSVA - Retail Transmission Network Charge	1584	$ -			$ 290,198	$ 290,198	$ -			$ 1,285	$ 1,285
RSVA - Retail Transmission Connection Charge	1586	$ -			-$ 6,300	-$ 6,300	$ -			$ 27	$ 27
RSVA - Power (excluding Global Adjustment)	1588	$ -			-$ 1,023,433	-$ 1,023,433	$ -			-$ 5,143	-$ 5,143
RSVA - Power - Sub-Account - Global Adjustment	1588	$ -			$ 1,656,502	$ 1,656,502	$ -			$ 5,781	$ 5,781
Recovery of Regulatory Asset Balances	1590	$ -				$ -	$ -				$ -
Disposition and Recovery of Regulatory Balances (2008)[7]	1595	$ -				$ -	$ -				$ -
Disposition and Recovery of Regulatory Balances (2009)[7]	1595	$ -				$ -	$ -				$ -
Group 1 Sub-Total (including Account 1588 - Global Adjustment)		$ -	$ -	$ -	$ 472,324	$ 472,324	$ -	$ -	$ -	$ 857	$ 857
Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)		$ -	$ -	$ -	-$ 1,184,178	-$ 1,184,178	$ -	$ -	$ -	-$ 4,924	-$ 4,924
RSVA - Power - Sub-Account - Global Adjustment	**1588**	$ -	$ -	$ -	$ 1,656,502	$ 1,656,502	$ -	$ -	$ -	$ 5,781	$ 5,781
Special Purpose Charge Assessment Variance Account	**1521**										
Deferred Payments in Lieu of Taxes	**1562**	-$ 1,222,774				-$ 1,222,774	$ 19,117	-$ 13,909			$ 5,208
Group 1 Total + 1521 + 1562		-$ 1,222,774	$ -	$ -	$ 472,324	-$ 750,450	$ 19,117	-$ 13,909	$ -	$ 857	$ 6,065
The following is not included in the total claim but are included on a memo basis:											
Board-Approved CDM Variance Account	1567										
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592										
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592										
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Contra Account	1592	$ -				$ -	$ -				$ -
Disposition and Recovery of Regulatory Balances[7]	1595	$ -				$ -	$ -				$ -

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

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

Provide supporting statement indicating whether due to denial of costs in 2006 EDR by the Board, 10% transition costs

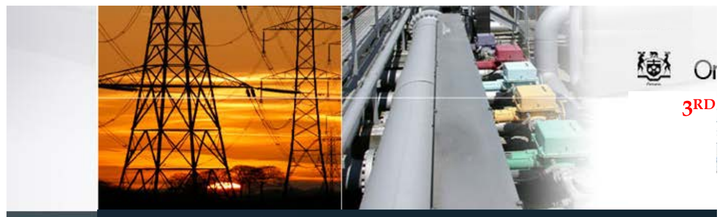
Adjustments Instructed by the Board include deferral/variance account balances moved to Account 1590 as a result of t

Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved di

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

For RSVA accounts only, report the net variance to the account during the year. For all other accounts, record the trans
If the LDC's 2011 rate year started January 1, the projected interest is recorded from January 1, 2011 to December 31,
Board in the 2011 rate decision. If the LDC's 2011 rate year started May 1, the projected interest is recorded from Janu
recorded from May 1, 2011 to April 30, 2012 on the December 31, 2010 balance adjusted for the disposed balances app

Include Account 1595 as part of Group 1 accounts (line 31) for review and disposition if the recovery (or refund) period h
support the underlying residual balance in account 1595. If the recovery (or refund) period has not been completed, incl



Waterloo North Hydro Inc. - EB-2011-0201

lease complete the following continuity schedule for your Group 1 Deferral / Variance Accounts, Account 152
otnotes and further instructions.

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

Account Descriptions	Account Number	2010														
		Opening Principal Amounts as of Jan-1-10	Transactions Debit / (Credit) during 2010 excluding interest and adjustments [5]	Board-Approved Disposition during 2010	Other [3] Adjustments during Q1 2010	Other [3] Adjustments during Q2 2010	Other [3] Adjustments during Q3 2010	Other [3] Adjustments during Q4 2010	Closing Principal Balance as of Dec-31-10	Opening Interest Amounts as of Jan-1-10	Interest Jan-1 to Dec-31-10	Board-Approved Disposition during 2010	Adjustments during 2010 - other [3]	Closing Interest Amounts as of Dec-31-10
Group 1 Accounts																
LV Variance Account	1550	$ 5,480	$ 73,347						$ 78,827	-$ 17	$ 129			$ 112
RSVA - Wholesale Market Service Charge	1580	-$ 450,123	-$ 1,613,517						-$ 2,063,640	-$ 1,076	-$ 10,824			-$ 11,900
RSVA - Retail Transmission Network Charge	1584	$ 290,198	$ 583,365						$ 873,563	$ 1,285	$ 5,656			$ 6,941
RSVA - Retail Transmission Connection Charge	1586	-$ 6,300	$ 25,985						$ 19,685	$ 27	$ 325			$ 352
RSVA - Power (excluding Global Adjustment)	1588	-$ 1,023,433	-$ 1,759,722						-$ 2,783,155	-$ 5,143	-$ 9,405			-$ 14,548
RSVA - Power - Sub-Account - Global Adjustment	1588	$ 1,656,502	-$ 237,534						$ 1,418,968	$ 5,781	$ 6,396			$ 12,177
Recovery of Regulatory Asset Balances	1590	$ -							$ -	$ -				$ -
Disposition and Recovery of Regulatory Balances (2008)[7]	1595	$ -							$ -	$ -				$ -
Disposition and Recovery of Regulatory Balances (2009)[7]	1595	$ -							$ -	$ -				$ -
Group 1 Sub-Total (including Account 1588 - Global Adjustment)		$ 472,324	-$ 2,928,075	$ -	$ -	$ -	$ -	$ -	-$ 2,455,751	$ 857	-$ 7,723	$ -	$ -	-$ 6,866
Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)		-$ 1,184,178	-$ 2,690,541	$ -	$ -	$ -	$ -	$ -	-$ 3,874,719	-$ 4,924	-$ 14,119	$ -	$ -	-$ 19,043
RSVA - Power - Sub-Account - Global Adjustment	**1588**	$ 1,656,502	-$ 237,534	$ -	$ -	$ -	$ -	$ -	$ 1,418,968	$ 5,781	$ 6,396	$ -	$ -	$ 12,177
Special Purpose Charge Assessment Variance Account	**1521**		$ 162,930					-$ 184,742	-$ 21,811		$ 1,226			$ 1,226
Deferred Payments in Lieu of Taxes	**1562**	-$ 1,222,774							-$ 1,222,774	$ 5,208	-$ 9,752			-$ 4,544
Group 1 Total + 1521 + 1562		-$ 750,450	-$ 2,765,145	$ -	$ -	$ -	$ -	-$ 184,742	-$ 3,700,336	$ 6,065	-$ 16,248	$ -	$ -	-$ 10,183
The following is not included in the total claim but are included on a memo basis:														
Board-Approved CDM Variance Account	1567								$ -	$ -				$ -
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592								$ -	$ -				$ -
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592								$ -	$ -				$ -
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Contra Account	1592	$ -							$ -	$ -				$ -
Disposition and Recovery of Regulatory Balances[7]	1595	$ -	$ 2,451,430	$ 12,472,653					-$ 10,021,223	$ -	-$ 68,942	$ 1,214,175		-$ 1,283,117

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have a negative figure) as per the related Board decision.**

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

Provide supporting statement indicating whether due to denial of costs in 2006 EDR by the Board, 10% transition costs

Adjustments Instructed by the Board include deferral/variance account balances moved to Account 1590 as a result of t

Please provide explanations for the nature of the adjustments. If the adjustment relates to previously Board Approved di

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

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If the LDC's 2011 rate year started January 1, the projected interest is recorded from January 1, 2011 to December 31,
Board in the 2011 rate decision. If the LDC's 2011 rate year started May 1, the projected interest is recorded from Janu
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Include Account 1595 as part of Group 1 accounts (line 31) for review and disposition if the recovery (or refund) period h
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Waterloo North Hydro Inc. - EB-2011-0201

lease complete the following continuity schedule for your Group 1 Deferral / Variance Accounts, Account 152
ootnotes and further instructions.

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

Account Descriptions	Account Number	2011 Principal Disposition during 2011 - instructed by Board	2011 Interest Disposition during 2011 - instructed by Board	2011 Closing Principal Balances as of Dec 31-10 Adjusted for Dispositions during 2011	2011 Closing Interest Balances as of Dec 31-10 Adjusted during 2011 Disposition	Projected Interest on Dec-31-10 Balances: Projected Interest from Jan 1, 2011 to December 31, 2011 on Dec 31 -10 balance adjusted for disposition during 2011 [5]	Projected Interest on Dec-31-10 Balances: Projected Interest from January 1, 2012 to April 30, 2012 on Dec 31 -10 balance adjusted for disposition during 2011 [6, 7]	Total Claim	2.1.7 RRR: As of Dec 31-10 [4]	Variance RRR vs. 2010 Balance (Principal + Interest)
Group 1 Accounts										
LV Variance Account	1550	$ 5,480	$ 39	$ 73,347	$ 73	$ 1,175	$ 386	$ 74,981	$ 78,899	-$ 40
RSVA - Wholesale Market Service Charge	1580	-$ 450,123	-$ 5,652	-$ 1,613,517	-$ 6,248	-$ 25,165	-$ 7,943	-$ 1,652,873	-$ 2,075,883	-$ 343
RSVA - Retail Transmission Network Charge	1584	$ 290,198	$ 4,235	$ 583,365	$ 2,706	$ 9,489	$ 2,876	$ 598,436	$ 880,745	$ 240
RSVA - Retail Transmission Connection Charge	1586	-$ 6,300	-$ 37	$ 25,985	$ 389	$ 368	$ 129	$ 26,871	$ 20,040	$ 3
RSVA - Power (excluding Global Adjustment)	1588	-$ 1,023,433	-$ 15,548	-$ 1,759,722	$ 1,000	-$ 28,934	-$ 8,633	-$ 1,796,289	-$ 2,798,488	-$ 785
RSVA - Power - Sub-Account - Global Adjustment	1588	$ 1,656,502	$ 22,622	-$ 237,534	-$ 10,445	$ 1,341	-$ 1,191	-$ 247,829	$ 1,444,116	$ 12,971
Recovery of Regulatory Asset Balances	1590			$ -	$ -			$ -		$ -
Disposition and Recovery of Regulatory Balances (2008)[7]	1595			$ -	$ -			$ -		$ -
Disposition and Recovery of Regulatory Balances (2009)[7]	1595			$ -	$ -			$ -		$ -
Group 1 Sub-Total (including Account 1588 - Global Adjustment)		$ 472,324	$ 5,659	-$ 2,928,075	-$ 12,525	-$ 41,726	-$ 14,376	-$ 2,996,702	-$ 2,450,572	$ 12,045
Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)		-$ 1,184,178	-$ 16,963	-$ 2,690,541	-$ 2,080	-$ 43,067	-$ 13,185	-$ 2,748,873	-$ 3,894,688	-$ 925
RSVA - Power - Sub-Account - Global Adjustment	**1588**	$ 1,656,502	$ 22,622	-$ 237,534	-$ 10,445	$ 1,341	-$ 1,191	-$ 247,829	$ 1,444,116	$ 12,971
Special Purpose Charge Assessment Variance Account	**1521**					$ 228	-$ 107	-$ 20,464	$ 164,157	$ 184,742
Deferred Payments in Lieu of Taxes	**1562**			-$ 1,222,774	-$ 4,544	-$ 17,975	-$ 5,992	-$ 1,251,284	-$ 1,366,352	-$ 139,034
Group 1 Total + 1521 + 1562		$ 472,324	$ 5,659	-$ 4,150,850	-$ 17,069	-$ 59,473	-$ 20,474	-$ 4,268,450	-$ 3,652,766	$ 57,753
The following is not included in the total claim but are included on a memo basis:										
Board-Approved CDM Variance Account	1567							$ -		$ -
PILs and Tax Variance for 2006 and Subsequent Years (excludes sub-account and contra account below)	1592							$ -		$ -
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Input Tax Credits (ITCs)	1592							$ -		$ -
PILs and Tax Variance for 2006 and Subsequent Years - Sub-Account HST/OVAT Contra Account	1592							$ -		$ -
Disposition and Recovery of Regulatory Balances[7]	1595	$ 472,324	$ 5,659					-$ 11,782,323	-$ 11,304,340	$ 0

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

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support the underlying residual balance in account 1595. If the recovery (or refund) period has not been completed, incl



Ontario Energy Board

3RD Generation Incentive Regulation Model

Waterloo North Hydro Inc. - EB-2011-0201

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

Rate Class	Unit	Metered kWh	Metered kW	Billed kWh for Non-RPP Customers	Estimated kW for Non-RPP Customers	Distribution Revenue [1]	1590 Recovery Share Proportion*	1595 Recovery Share Proportion (2008) [2]	1595 Recovery Share Proportion (2009) [2]
Residential	$/kWh	393,848,054		47,531,182	-	15,308,033			
General Service Less Than 50 kW	$/kWh	179,687,810		27,737,012	-	4,381,714			
General Service 50 to 4,999 kW	$/kW	705,732,689	1,581,207	679,930,260	1,523,396	7,515,601			
Large Use	$/kW	79,638,262	153,852	82,967,618	160,284	572,427			
Unmetered Scattered Load	$/kWh	1,648,666		434,100	-	131,778			
Street Lighting	$/kW	7,792,006	21,835	7,693,361	21,559	234,246			
Embedded Distributor	$/kW	28,618,000	71,600	31,983,034	80,019	857			
Total		1,396,965,487	1,828,494	878,276,568	1,785,257	28,144,657	0%	0%	0%

Total Claim (including Accounts 1521 and 1562)	-$	4,268,450
Total Claim for Threshold Test (All Group 1 Accounts)	-$	2,996,702
Threshold Test [3] (Total Claim per kWh)	-	0.00215

[1] For Account 1562, the allocation to customer classes should be performed on the basis of the test year distribution revenue allocation to customer classes found in the Applicant's Cost of Service application that was most recently approved at the time of disposition of the 1562 account balance.
[2] Residual Account balance to be allocated to rate classes in proportion to the recovery share as established when rate riders were implemented.
[3] The Threshold Test does not include the amount in 1521 nor 1562.



Ontario Energy Board

Deferral / Variance Account Work Form

Waterloo North Hydro Inc. - EB-2011-0201

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

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

Rate Class	Units	Billed kWh	% kWh	1550	1580	1584	1586	1588*	1590	1595 (2008)	1595 (2009)	1521	Total
Residential	$/kWh	393,848,054	28.19%	21,139	(465,996)	168,718	7,576	(506,430)	0	0	0	(5,769)	(780,762)
General Service Less Than 50 kW	$/kWh	179,687,810	12.86%	9,645	(212,604)	76,975	3,456	(231,052)	0	0	0	(2,632)	(356,212)
General Service 50 to 4,999 kW	$/kW	705,732,689	50.52%	37,879	(835,015)	302,324	13,575	(907,467)	0	0	0	(10,338)	(1,399,041)
Large Use	$/kW	79,638,262	5.70%	4,274	(94,227)	34,116	1,532	(102,403)	0	0	0	(1,167)	(157,874)
Unmetered Scattered Load	$/kWh	1,648,666	0.12%	88	(1,951)	706	32	(2,120)	0	0	0	(24)	(3,268)
Street Lighting	$/kW	7,792,006	0.56%	418	(9,219)	3,338	150	(10,019)	0	0	0	(114)	(15,447)
Embedded Distributor	$/kW	28,618,000	2.05%	1,536	(33,860)	12,259	550	(36,798)	0	0	0	(419)	(56,732)
Total		1,396,965,487	100.00%	74,981	(1,652,873)	598,436	26,871	(1,796,289)	0	0	0	(20,464)	(2,769,337)

** RSVA - Power (Excluding Global Adjustment)*

1588 RSVA - Power (Global Adjustment Sub-Account)

Rate Class	non-RPP kWh	% kWh	1588
Residential	47,531,182	5.41%	- 13,412
General Service Less Than 50 kW	27,737,012	3.16%	- 7,827
General Service 50 to 4,999 kW	679,930,260	77.42%	- 191,860
Large Use	82,967,618	9.45%	- 23,411
Unmetered Scattered Load	434,100	0.05%	- 122
Street Lighting	7,693,361	0.88%	- 2,171
Embedded Distributor	31,983,034	3.64%	- 9,025
Total	878,276,568	100.00%	(247,829)

Allocation of Account 1562

	% of Distribution Revenue		Allocation of Balance in Account 1562
Residential	54.4%	-	680,580
General Service Less Than 50 kW	15.6%	-	194,807
General Service 50 to 4,999 kW	26.7%	-	334,136
Large Use	2.0%	-	25,450
Unmetered Scattered Load	0.5%	-	5,859
Street Lighting	0.8%	-	10,414
Embedded Distributor	0.0%	-	38
Total	100.0%	-	1,251,284



Ontario Energy Board

Deferral / Variance Account Work Form

Waterloo North Hydro Inc. - EB-2011-0201

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

Please indicate the Rate Rider Recovery Period (in years) 4

Rate Class	Unit	Billed kWh	Billed kW	Accounts Allocated by kWh/kW (RPP) or Distribution Revenue	Deferral/Variance Account Rate Rider		Account 1588 Global Adjustment	Billed kWh or Estimated kW for Non-RPP	Global Adjustment Rate Rider
Residential	$/kWh	393,848,054	-	-$ 1,461,343	($0.00093)	$/kWh	-$ 13,412	47,531,182	($0.00007)
General Service Less Than 50 kW	$/kWh	179,687,810	-	-$ 551,019	($0.00077)	$/kWh	-$ 7,827	27,737,012	($0.00007)
General Service 50 to 4,999 kW	$/kW	705,732,689	1,581,207	-$ 1,733,177	($0.27403)	$/kW	-$ 191,860	1,523,396	($0.03149)
Large Use	$/kW	79,638,262	153,852	-$ 183,324	($0.29789)	$/kW	-$ 23,411	160,284	($0.03652)
Unmetered Scattered Load	$/kWh	1,648,666	-	-$ 9,127	($0.00138)	$/kWh	-$ 122	434,100	($0.00007)
Street Lighting	$/kW	7,792,006	21,835	-$ 25,861	($0.29609)	$/kW	-$ 2,171	21,559	($0.02517)
Embedded Distributor	$/kW	28,618,000	71,600	-$ 56,770	($0.19822)	$/kW	-$ 9,025	80,019	($0.02820)
Total		1,396,965,487	1,828,494	-$ 4,020,621			-$ 247,829		




Ontario Energy Board

3RD Generation Incentive Regulation Model

Waterloo North Hydro Inc. - EB-2011-0201

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

Rate Description	Unit	Amount	Effective Until Date	Proposed Amount	Effective Until Date
Residential					
Service Charge	$	14.56			
Smart Meter Funding Adder	$	1.00			
	$				
	$				
	$				
General Service Less Than 50 kW					
Service Charge	$	30.63			
Smart Meter Funding Adder	$	1.00			
	$				
	$				
	$				
General Service 50 to 4,999 kW					
Service Charge	$	162.82			
Smart Meter Funding Adder	$	1.00			
	$				
	$				
	$				
Large Use					
Service Charge	$	6686.47			
Smart Meter Funding Adder	$	1.00			
	$				
	$				
	$				
Unmetered Scattered Load					
Service Charge (per connection)	$	15.31			
	$				
	$				
	$				
Street Lighting					
Service Charge (per connection)	$	0.33			
	$				
	$				
	$				
Embedded Distributor					
	$				
	$				
	$				



Ontario Energy Board

3RD Generation Incentive Regulation Model

Waterloo North Hydro Inc. - EB-2011-0201

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

Rate Description	Unit	Amount	Effective Until Date	Proposed Amount	Effective Until Date
Residential					
Low Voltage Service Rate	$/kWh	0.00010			
Rate Rider for Global Adjustment Sub-Account (2010) – Applicable only for Non-RPP Customers	$/kWh	0.00030	April 30, 2014		
Rate Rider for Global Adjustment Sub-Account (2011) – Applicable only for Non-RPP Customers	$/kWh	0.00072	April 30, 2014		
Rate Rider for Deferral/Variance Account Disposition (2010)	$/kWh	-0.00270	April 30, 2014		
Rate Rider for Deferral/Variance Account Disposition (2011)	$/kWh	-0.00003	April 30, 2014		
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery	$/kWh	0.00020	April 30, 2015		
Rate Rider for Capital Gain	$/kWh	-0.00070	April 30, 2014		
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery (2012)	$/kWh			0.00005	April 30, 2016
Rate Rider for Tax Change	$/kWh			-0.00010	April 30, 2013
General Service Less Than 50 kW					
Low Voltage Service Rate	$/kWh	0.00010			
Rate Rider for Global Adjustment Sub-Account (2010) – Applicable only for Non-RPP Customers	$/kWh	0.00030	April 30, 2014		
Rate Rider for Global Adjustment Sub-Account (2011) – Applicable only for Non-RPP Customers	$/kWh	0.00072	April 30, 2014		
Rate Rider for Deferral/Variance Account Disposition (2010)	$/kWh	-0.00270	April 30, 2014		
Rate Rider for Deferral/Variance Account Disposition (2011)	$/kWh	-0.00003	April 30, 2014		
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery	$/kWh	0.00010	April 30, 2015		
Rate Rider for Capital Gain	$/kWh	-0.00040	April 30, 2014		
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery (2012)	$/kWh			0.00006	April 30, 2016
Rate Rider for Tax Change	$/kWh			-0.00010	April 30, 2013

General Service 50 to 4,999 kW					
Low Voltage Service Rate	$/kW	0.05510			
Rate Rider for Global Adjustment Sub-Account (2010) – Applicable only for Non-RPP Customers	$/kW	0.12970	April 30, 2014		
Rate Rider for Global Adjustment Sub-Account (2011) – Applicable only for Non-RPP Customers	$/kW	0.27956	April 30, 2014		
Rate Rider for Deferral/Variance Account Disposition (2010)	$/kW	-1.10630	April 30, 2014		
Rate Rider for Deferral/Variance Account Disposition (2011)	$/kW	-0.06474	April 30, 2014		
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery	$/kW	0.14950	April 30, 2015		
Rate Rider for Capital Gain	$/kW	-0.08660	April 30, 2014		
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery (2012)	$/kW			0.00527	April 30, 2016
Rate Rider for Tax Change	$/kW			-0.01100	April 30, 2013
Large Use					
Low Voltage Service Rate	$/kW	0.05530			
Rate Rider for Global Adjustment Sub-Account (2010) – Applicable only for Non-RPP Customers	$/kW	0.16200	April 30, 2014		
Rate Rider for Global Adjustment Sub-Account (2011) – Applicable only for Non-RPP Customers	$/kW	0.35873	April 30, 2014		
Rate Rider for Deferral/Variance Account Disposition (2010)	$/kW	-1.38630	April 30, 2014		
Rate Rider for Deferral/Variance Account Disposition (2011)	$/kW	-0.09798	April 30, 2014		
Rate Rider for Capital Gain	$/kW	-0.06780	April 30, 2014		
Rate Rider for Tax Change	$/kW			-0.00790	April 30, 2013
Unmetered Scattered Load					
Low Voltage Service Rate	$/kWh	0.00010			
Rate Rider for Global Adjustment Sub-Account (2010) – Applicable only for Non-RPP Customers	$/kWh	0.00030	April 30, 2014		
Rate Rider for Global Adjustment Sub-Account (2011) – Applicable only for Non-RPP Customers	$/kWh	0.00072	April 30, 2014		
Rate Rider for Deferral/Variance Account Disposition (2010)	$/kWh	-0.00270	April 30, 2014		
Rate Rider for Deferral/Variance Account Disposition (2011)	$/kWh	0.00067	April 30, 2014		
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery	$/kWh	0.00480	April 30, 2015		
Rate Rider for Capital Gain	$/kWh	-0.00150	April 30, 2014		
Rate Rider for Tax Change	$/kWh			-0.00020	April 30, 2013

Street Lighting					
Low Voltage Service Rate	$/kW	0.03410			
Rate Rider for Global Adjustment Sub-Account (2011) – Applicable only for Non-RPP Customers	$/kW	0.10098	April 30, 2014		
Rate Rider for Deferral/Variance Account Disposition (2010)	$/kW	-0.97070	April 30, 2014		
Rate Rider for Deferral/Variance Account Disposition (2011)	$/kW	0.02857	April 30, 2014		
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery	$/kW	0.24750	April 30, 2015		
Rate Rider for Capital Gain	$/kW	-0.19590	April 30, 2014		
Rate Rider for Tax Change	$/kW			-0.02290	April 30, 2013
Embedded Distributor					
Rate Rider for Global Adjustment Sub-Account (2010) – Applicable only for Non-RPP Customers	$/kW	0.12970	April 30, 2014		
Rate Rider for Global Adjustment Sub-Account (2011) – Applicable only for Non-RPP Customers	$/kW	0.27956	April 30, 2014		
Rate Rider for Deferral/Variance Account Disposition (2010)	$/kW	-1.10630	April 30, 2014		
Rate Rider for Deferral/Variance Account Disposition (2011)	$/kW	-0.06474	April 30, 2014		
Rate Rider for Capital Gain	$/kW	-0.00020	April 30, 2014		




Ontario Energy Board

3RD Generation Incentive Regulation Model

Waterloo North Hydro Inc. - EB-2011-0201

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

Rate Description	Unit	Current Amount	% Adjustment	Proposed Amount
Residential				
Retail Transmission Rate – Network Service Rate	$/kWh	0.00670	1.493%	0.00680
General Service Less Than 50 kW				
Retail Transmission Rate – Network Service Rate	$/kWh	0.00610	1.639%	0.00620
General Service 50 to 4,999 kW				
Retail Transmission Rate – Network Service Rate – (less than 1,000 kW)	$/kW	2.49450	1.295%	2.52680
Retail Transmission Rate – Network Service Rate – Interval Metered (less than 1,000 kW)	$/kW	2.64950	1.295%	2.68380
Retail Transmission Rate – Network Service Rate – Interval Metered (1,000 to 4,999 kW)	$/kW	2.64610	January 0, 1900	2.68030
Large Use				
Retail Transmission Rate – Network Service Rate – Interval Metered	$/kW	2.93350	1.292%	2.97140
Unmetered Scattered Load				
Retail Transmission Rate – Network Service Rate	$/kWh	0.00610	1.639%	0.00620
Street Lighting				
Retail Transmission Rate – Network Service Rate	$/kW	1.88150	1.292%	1.90580
Embedded Distributor				



Ontario Energy Board

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Waterloo North Hydro Inc. - EB-2011-0201

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

Rate Description	Unit	Current Amount	% Adjustment	Proposed Amount
Residential				
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.00220	4.545%	0.00230
General Service Less Than 50 kW				
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.00200	5.000%	0.00210
General Service 50 to 4,999 kW				
Retail Transmission Rate – Line and Transformation Connection Service Rate – (less than 1,000 kW	$/kW	0.78220	2.429%	0.80120
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered (1,(	$/kW	0.97590	2.429%	0.99960
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered (less	$/kW	0.97710	2.426%	1.00080
Large Use				
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	$/kW	0.98040	2.428%	1.00420
Unmetered Scattered Load				
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.00200	5.000%	0.00210
Street Lighting				
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	0.60460	2.431%	0.61930
Embedded Distributor				



Ontario Energy Board

3RD Generation Incentive Regulation Model

Waterloo North Hydro Inc. - EB-2011-0201

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

Price Escalator	**1.30%**	**Productivity Factor**	**0.72%**	**Price Cap Index**	**0.18%**
Choose Stretch Factor Group	**II**	**Associated Stretch Factor Value**	**0.4%**		

Rate Description	Unit	Current MFC	MFC Adjustment from R/C Model	Current Volumetric Charge	Unit	DVR Adjustment from R/C Model	Price Cap Index	Proposed MFC	Proposed Volumetric Charge
Residential	$	14.56		0.01840	$/kWh		0.180%	14.59	0.01843
General Service Less Than 50 kW	$	30.63		0.01370	$/kWh		0.180%	30.69	0.01372
General Service 50 to 4,999 kW	$	162.82	(24.31)	4.30730	$/kW	0.12163	0.180%	138.76	4.43690
Large Use	$	6,686.47		3.19910	$/kW		0.180%	6,698.51	3.20486
Unmetered Scattered Load	$	15.31		0.01900	$/kWh		0.180%	15.34	0.01903
Street Lighting	$	0.33		8.32320	$/kW		0.180%	0.33	8.33818
Embedded Distributor	$			0.01200	$/kW		0.180%		0.01202



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

Loss Factors	Current
Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0404
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0150
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0300
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0050




Ontario Energy Board

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

ALLOWANCES

	UNIT	CURRENT
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)

SPECIFIC SERVICE CHARGES

APPLICATION

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

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

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

Customer Administration

Easement letter	$	15.00
Notification charge	$	15.00
Credit reference/credit check (plus credit agency costs)	$	15.00
Returned cheque charge (plus bank charges)	$	15.00
Duplicate invoices for previous billing	$	15.00
Income tax letter	$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	$	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
Disconnect/Reconnect at meter - during regular hours	$	65.00
Disconnect/Reconnect at meter - after regular hours	$	185.00

Other

Specific Charge for Access to the Power Poles $/pole/year	$	22.35

RETAIL SERVICE CHARGES (if applicable)

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

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

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

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

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

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

Waterloo North Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective Date May 1, 2012

Implementation Date May 1, 2012

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

EB-2011-0201

RESIDENTIAL SERVICE CLASSIFICATION

APPLICATION

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	14.59
Smart Meter Funding Adder	$	1.00
Distribution Volumetric Rate	$/kWh	0.0184
Low Voltage Service Rate - Effective Until	$/kWh	0.0001
Rate Rider for Global Adjustment Sub-Account (2010) – Applicable only for Non-RPP Customers - Effective Until April 30, 2014	$/kWh	0.0003
Rate Rider for Global Adjustment Sub-Account (2011) – Applicable only for Non-RPP Customers - Effective Until April 30, 2014	$/kWh	0.00072
Rate Rider for Deferral/Variance Account Disposition (2010) - Effective Until April 30, 2014	$/kWh	-0.0027
Rate Rider for Deferral/Variance Account Disposition (2011) - Effective Until April 30, 2014	$/kWh	-0.00003
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery - Effective Until April 30, 2015	$/kWh	0.0002
Rate Rider for Capital Gain - Effective Until April 30, 2014	$/kWh	-0.0007
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery (2012) - Effective Until April 30, 2016	$/kWh	0.00005
Rate Rider for Tax Change - Effective Until April 30, 2013	$/kWh	-0.0001
Rate Rider for Deferral/Variance Account Disposition (2012)	$/kWh	-0.0009
Rate Rider for Global Adjustment Sub-Account (2012) – Applicable only for Non-RPP Customers	$/kWh	-0.0001
Retail Transmission Rate – Network Service Rate	$/kWh	0.0068
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0023

MONTHLY RATES AND CHARGES – Regulatory Component

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

Waterloo North Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective Date May 1, 2012

Implementation Date May 1, 2012

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

EB-2011-0201

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

APPLICATION

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	30.69
Smart Meter Funding Adder	$	1.00
Distribution Volumetric Rate	$/kWh	0.0137
Low Voltage Service Rate - Effective Until	$/kWh	0.0001
Rate Rider for Global Adjustment Sub-Account (2010) – Applicable only for Non-RPP Customers - Effective Until April 30, 2014	$/kWh	0.0003
Rate Rider for Global Adjustment Sub-Account (2011) – Applicable only for Non-RPP Customers - Effective Until April 30, 2014	$/kWh	0.00072
Rate Rider for Deferral/Variance Account Disposition (2010) - Effective Until April 30, 2014	$/kWh	-0.0027
Rate Rider for Deferral/Variance Account Disposition (2011) - Effective Until April 30, 2014	$/kWh	-0.00003
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery - Effective U	$/kWh	0.0001
Rate Rider for Capital Gain - Effective Until April 30, 2014	$/kWh	-0.0004
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery (2012) - Effe	$/kWh	0.00006
Rate Rider for Tax Change - Effective Until April 30, 2013	$/kWh	-0.0001
Rate Rider for Deferral/Variance Account Disposition (2012)	$/kWh	-0.0008
Rate Rider for Global Adjustment Sub-Account (2012) – Applicable only for Non-RPP Customers	$/kWh	-0.0001
Retail Transmission Rate – Network Service Rate	$/kWh	0.0062
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0021

MONTHLY RATES AND CHARGES – Regulatory Component

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

Waterloo North Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective Date May 1, 2012

Implementation Date May 1, 2012

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

EB-2011-0201

GENERAL SERVICE 50 TO 4,999 KW SERVICE CLASSIFICATION

APPLICATION

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	138.76
Smart Meter Funding Adder	$	1.00
Distribution Volumetric Rate	$/kW	4.4369
Low Voltage Service Rate - Effective Until	$/kW	0.0551
Rate Rider for Global Adjustment Sub-Account (2010) – Applicable only for Non-RPP Customers - Effective Until April 30, 2014	$/kW	0.1297
Rate Rider for Global Adjustment Sub-Account (2011) – Applicable only for Non-RPP Customers - Effective Until April 30, 2014	$/kW	0.27956
Rate Rider for Deferral/Variance Account Disposition (2010) - Effective Until April 30, 2014	$/kW	-1.1063
Rate Rider for Deferral/Variance Account Disposition (2011) - Effective Until April 30, 2014	$/kW	-0.06474
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery - Effective U	$/kW	0.1495
Rate Rider for Capital Gain - Effective Until April 30, 2014	$/kW	-0.0866
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery (2012) - Effe	$/kW	0.00527
Rate Rider for Tax Change - Effective Until April 30, 2013	$/kW	-0.011
Rate Rider for Deferral/Variance Account Disposition (2012)	$/kW	-0.274
Rate Rider for Global Adjustment Sub-Account (2012) – Applicable only for Non-RPP Customers	$/kW	-0.0315
Retail Transmission Rate – Network Service Rate – (less than 1,000 kW)	$/kW	2.5268
Retail Transmission Rate – Network Service Rate – Interval Metered (less than 1,000 kW)	$/kW	2.6838
Retail Transmission Rate – Network Service Rate – Interval Metered (1,000 to 4,999 kW)	$/kW	2.6803
Retail Transmission Rate – Line and Transformation Connection Service Rate – (less than 1,000 kW)	$/kW	0.8012
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered (1,000 to 4,999 kW)	$/kW	0.9996
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Metered (less than 1,000 kW)	$/kW	1.0008

MONTHLY RATES AND CHARGES – Regulatory Component

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

Waterloo North Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective Date May 1, 2012

Implementation Date May 1, 2012

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

EB-2011-0201

LARGE USE SERVICE CLASSIFICATION

APPLICATION

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	6698.51
Smart Meter Funding Adder	$	1.00
Distribution Volumetric Rate	$/kW	3.2049
Low Voltage Service Rate - Effective Until	$/kW	0.0553
Rate Rider for Global Adjustment Sub-Account (2010) – Applicable only for Non-RPP Customers - Effective Until April 30, 2014	$/kW	0.162
Rate Rider for Global Adjustment Sub-Account (2011) – Applicable only for Non-RPP Customers - Effective Until April 30, 2014	$/kW	0.35873
Rate Rider for Deferral/Variance Account Disposition (2010) - Effective Until April 30, 2014	$/kW	-1.3863
Rate Rider for Deferral/Variance Account Disposition (2011) - Effective Until April 30, 2014	$/kW	-0.09798
Rate Rider for Capital Gain - Effective Until April 30, 2014	$/kW	-0.0678
Rate Rider for Tax Change - Effective Until April 30, 2013	$/kW	-0.0079
Rate Rider for Deferral/Variance Account Disposition (2012)	$/kW	-0.2979
Rate Rider for Global Adjustment Sub-Account (2012) – Applicable only for Non-RPP Customers	$/kW	-0.0365
Retail Transmission Rate – Network Service Rate – Interval Metered	$/kW	2.9714
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	$/kW	1.0042

MONTHLY RATES AND CHARGES – Regulatory Component

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

Waterloo North Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective Date May 1, 2012

Implementation Date May 1, 2012

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

EB-2011-0201

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

APPLICATION

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	$	15.34
Distribution Volumetric Rate	$/kWh	0.019
Low Voltage Service Rate - Effective Until	$/kWh	0.0001
Rate Rider for Global Adjustment Sub-Account (2010) – Applicable only for Non-RPP Customers - Effective Until April 30, 2014	$/kWh	0.0003
Rate Rider for Global Adjustment Sub-Account (2011) – Applicable only for Non-RPP Customers - Effective Until April 30, 2014	$/kWh	0.00072
Rate Rider for Deferral/Variance Account Disposition (2010) - Effective Until April 30, 2014	$/kWh	-0.0027
Rate Rider for Deferral/Variance Account Disposition (2011) - Effective Until April 30, 2014	$/kWh	0.00067
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery - Effective U	$/kWh	0.0048
Rate Rider for Capital Gain - Effective Until April 30, 2014	$/kWh	-0.0015
Rate Rider for Tax Change - Effective Until April 30, 2013	$/kWh	-0.0002
Rate Rider for Deferral/Variance Account Disposition (2012)	$/kWh	-0.0014
Rate Rider for Global Adjustment Sub-Account (2012) – Applicable only for Non-RPP Customers	$/kWh	-0.0001
Retail Transmission Rate – Network Service Rate	$/kWh	0.0062
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0021

MONTHLY RATES AND CHARGES – Regulatory Component

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

Waterloo North Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective Date May 1, 2012

Implementation Date May 1, 2012

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

EB-2011-0201

STREET LIGHTING SERVICE CLASSIFICATION

APPLICATION

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	$	0.33
Distribution Volumetric Rate	$/kW	8.3382
Low Voltage Service Rate - Effective Until	$/kW	0.0341
Rate Rider for Global Adjustment Sub-Account (2011) – Applicable only for Non-RPP Customers - Effective Until April 30, 2014	$/kW	0.10098
Rate Rider for Deferral/Variance Account Disposition (2010) - Effective Until April 30, 2014	$/kW	-0.9707
Rate Rider for Deferral/Variance Account Disposition (2011) - Effective Until April 30, 2014	$/kW	0.02857
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery / Shared Savings Mechanism (SSM) Recovery - Effective U	$/kW	0.2475
Rate Rider for Capital Gain - Effective Until April 30, 2014	$/kW	-0.1959
Rate Rider for Tax Change - Effective Until April 30, 2013	$/kW	-0.0229
Rate Rider for Deferral/Variance Account Disposition (2012)	$/kW	-0.2961
Rate Rider for Global Adjustment Sub-Account (2012) – Applicable only for Non-RPP Customers	$/kW	-0.0252
Retail Transmission Rate – Network Service Rate	$/kW	1.9058
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	0.6193

MONTHLY RATES AND CHARGES – Regulatory Component

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

Waterloo North Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective Date May 1, 2012

Implementation Date May 1, 2012

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

EB-2011-0201

EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION

APPLICATION

MONTHLY RATES AND CHARGES - Delivery Component

Distribution Volumetric Rate	$/kW	0.012
Rate Rider for Global Adjustment Sub-Account (2010) – Applicable only for Non-RPP Customers - Effective Until April 30, 2014	$/kW	0.1297
Rate Rider for Global Adjustment Sub-Account (2011) – Applicable only for Non-RPP Customers - Effective Until April 30, 2014	$/kW	0.27956
Rate Rider for Deferral/Variance Account Disposition (2010) - Effective Until April 30, 2014	$/kW	-1.1063
Rate Rider for Deferral/Variance Account Disposition (2011) - Effective Until April 30, 2014	$/kW	-0.06474
Rate Rider for Capital Gain - Effective Until April 30, 2014	$/kW	-0.0002
Rate Rider for Deferral/Variance Account Disposition (2012)	$/kW	-0.1982
Rate Rider for Global Adjustment Sub-Account (2012) – Applicable only for Non-RPP Customers	$/kW	-0.0282

MONTHLY RATES AND CHARGES – Regulatory Component

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

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

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

EB-2011-0201

microFIT GENERATOR SERVICE CLASSIFICATION

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

APPLICATION

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

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule unless required by the Distributor's Licence or a Code or Order ofthe 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, beit under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

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

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	5.25

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

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

EB-2011-0201

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)

SPECIFIC SERVICE CHARGES

APPLICATION

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

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

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

Customer Administration

Easement letter	$	15.00
Notification charge	$	15.00
Credit reference/credit check (plus credit agency costs)	$	15.00
Returned cheque charge (plus bank charges)	$	15.00
Duplicate invoices for previous billing	$	15.00
Income tax letter	$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	$	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
Disconnect/Reconnect at meter - during regular hours	$	65.00
Disconnect/Reconnect at meter - after regular hours	$	185.00

Waterloo North Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective Date May 1, 2012

Implementation Date May 1, 2012

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

RETAIL SERVICE CHARGES (if applicable)

APPLICATION

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

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

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

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

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

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

LOSS FACTORS

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

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0404
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0150
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0300
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0050



Rate Class

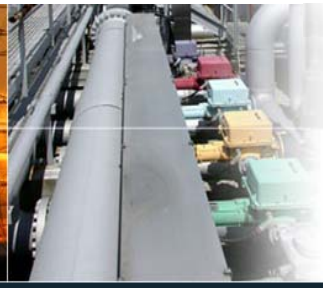
Large Use

Monthly Rates and Charges	Current Rate	Applied For Rate
Service Charge	6,686.47	6,698.51
Smart Meter Funding Adder	1.00	1.00
Service Charge Rate Rider(s)	251.30	-
Distribution Volumetric Rate	3.19910	3.20486
Distribution Volumetric Rate Rider(s)	(1.50478)	(1.85787)
Low Voltage Volumetric Rate	0.05530	0.05530
Retail Transmission Rate – Network Service Rate	2.93350	0.00000
Retail Transmission Rate – Line and Transformation Connection Service Rate	0.98040	1.00420
Wholesale Market Service Rate	0.0052	0.0052
Rural Rate Protection Charge	0.0013	0.0013
Standard Supply Service – Administration Charge (if applicable)	0.25	0.25
Debt Retirement Charge (DRC)	0.0070	0.0070
Loss Factor	1.0050	1.0050

Attachment B

Shared Tax Savings Workform





V1.2

Ontario Energy Board

2012 IRM 3 Tax Savings Workform

Choose Your Utility:
Tillsonburg Hydro Inc.
Waterloo North Hydro Inc.

Application	EB-2011-0201
OEB Application	IRM3
LDC Licence #:	ED-2002-0575

Application Contact Information

Name:	Albert P. Singh
Title:	Vice President Finance & CFO
Phone Number:	519-888-5542
Email Address:	asingh@wnhydro.com
We are applying for rates effective:	May 1, 2012
Last COS Re-based Year	2011

Legend

DROP-DOWN MENU

INPUT FIELD

CALCULATION

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2. Table of Contents

3. Re-Based Billing Determinants and Rates

4. Re-Based Revenue from Rates

5. Z-Factor Tax Changes

6. Calculation of Tax Change Variable Rate Rider




Ontario Energy Board

2012 IRM 3 Tax Savings Workform

Waterloo North Hydro Inc.

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

Last COS Re-based Year was in 2011

Rate Group	Rate Class	Fixed Metric	Vol Metric	Re-based Billed Customers or Connections A	Re-based Billed kWh B	Re-based Billed kW C	Rate ReBal Base Service Charge D	Rate ReBal Base Distribution Volumetric Rate kWh E	Rate ReBal Base Distribution Volumetric Rate kW F
RES	Residential	Customer	kWh	46,238	393,848,054		14.56	0.0184	
GSLT50	General Service Less Than 50 kW	Customer	kWh	5,428	179,687,810		30.63	0.0137	
GSGT50	General Service 50 to 4,999 kW	Customer	kW	667	705,732,689	1,581,207	162.82		4.3073
LU	Large Use	Customer	kW	1	79,638,262	153,852	6,686.47		3.1991
USL	Unmetered Scattered Load	Connection	kWh	547	1,648,666		15.31	0.0190	
SL	Street Lighting	Connection	kW	13,259	7,792,006	21,835	0.33		8.3232
EMB	Embedded Distributor	Connection	kW	1	28,618,000	71,600			0.0120
NA	Rate Class 8	NA	NA						
NA	Rate Class 9	NA	NA						
NA	Rate Class 10	NA	NA						
NA	Rate Class 11	NA	NA						
NA	Rate Class 12	NA	NA						
NA	Rate Class 13	NA	NA						
NA	Rate Class 14	NA	NA						
NA	Rate Class 15	NA	NA						
NA	Rate Class 16	NA	NA						
NA	Rate Class 17	NA	NA						
NA	Rate Class 18	NA	NA						
NA	Rate Class 19	NA	NA						
NA	Rate Class 20	NA	NA						
NA	Rate Class 21	NA	NA						
NA	Rate Class 22	NA	NA						
NA	Rate Class 23	NA	NA						
NA	Rate Class 24	NA	NA						
NA	Rate Class 25	NA	NA						



Ontario Energy Board

2012 IRM 3 Tax Savings Workform

Waterloo North Hydro Inc.

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

Last COS Re-based Year was in 2011

Rate Class	Re-based Billed Customers or Connections A	Re-based Billed kWh B	Re-based Billed kW C	Rate ReBal Base Service Charge D	Rate ReBal Base Distribution Volumetric Rate kWh E	Rate ReBal Base Distribution Volumetric Rate kW F	Service Charge Revenue G = A * D *12	Distribution Volumetric Rate Revenue kWh H = B * E	Distribution Volumetric Rate Revenue kW I = C * F	Revenue Requirement from Rates J = G + H + I
Residential	46,238	393,848,054	0	14.56	0.0184	0.0000	8,078,703	7,246,804	0	15,325,508
General Service Less Than 50 kW	5,428	179,687,810	0	30.63	0.0137	0.0000	1,994,949	2,461,723	0	4,456,672
General Service 50 to 4,999 kW	667	705,732,689	1,581,207	162.82	0.0000	4.3073	1,302,514	0	6,810,731	8,113,245
Large Use	1	79,638,262	153,852	6,686.47	0.0000	3.1991	80,238	0	492,187	572,425
Unmetered Scattered Load	547	1,648,666	0	15.31	0.0190	0.0000	100,499	31,325	0	131,824
Street Lighting	13,259	7,792,006	21,835	0.33	0.0000	8.3232	52,506	0	181,739	234,246
Embedded Distributor	1	28,618,000	71,600	0.00	0.0000	0.0120	0	0	859	859
							11,609,410	9,739,852	7,485,517	28,834,778



Ontario Energy Board

2012 IRM 3 Tax Savings Workform

Waterloo North Hydro Inc.

This worksheet calculates the tax sharing amount.

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

Summary - Sharing of Tax Change Forecast Amounts

For the 2011 year, enter any Tax Credits from the Cost of Service Tax Calculation (Positive #)	$ 136,997

1. Tax Related Amounts Forecast from Capital Tax Rate Changes	**2011**	**2012**
Taxable Capital	$ -	$ -
Deduction from taxable capital up to $15,000,000	$ -	$ -
Net Taxable Capital	$ -	$ -
Rate	0.000%	0.000%
Ontario Capital Tax (Deductible, not grossed-up)	**$ -**	**$ -**

2. Tax Related Amounts Forecast from Income Tax Rate Changes	**2011**	**2012**
Regulatory Taxable Income	$ 3,183,170	$ 3,183,170
Corporate Tax Rate	24.12%	25.19%
Tax Impact	$ 767,786	$ 664,803
Grossed-up Tax Amount	**$ 1,011,845**	**$ 888,641**

Tax Related Amounts Forecast from Capital Tax Rate Changes	$ -	$ -
Tax Related Amounts Forecast from Income Tax Rate Changes	$ 1,011,845	$ 888,641
Total Tax Related Amounts	**$ 1,011,845**	**$ 888,641**
Incremental Tax Savings		**-$ 123,204**
Sharing of Tax Savings (50%)		**-$ 61,602**



Ontario Energy Board

2012 IRM 3 Tax Savings Workform

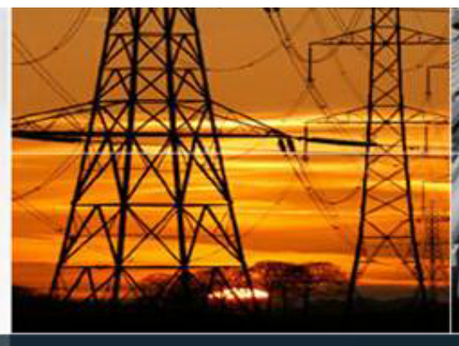
Waterloo North Hydro Inc.

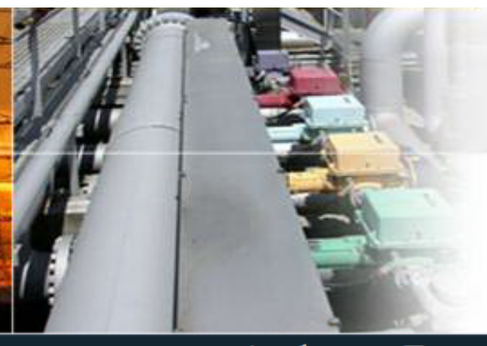
This worksheet calculates a tax change volumetric rate rider. No input required. The outputs in column Q and S are to be entered into Sheet 17 of the 2012 IRM Rate Generator Model.

Rate Class	Total Revenue $ by Rate Class A	Total Revenue % by Rate Class B = A / $H	Total Z-Factor Tax Change$ by Rate Class C = $I * B	Billed kWh D	Billed kW E	Distribution Volumetric Rate kWh Rate Rider F = C / D	Distribution Volumetric Rate kW Rate Rider G = C / E
Residential	$15,325,507.5475	53.15%	-$32,741	393,848,054	0	-$0.0001	
General Service Less Than 50 kW	$4,456,672	15.46%	-$9,521	179,687,810	0	-$0.0001	
General Service 50 to 4,999 kW	$8,113,245	28.14%	-$17,333	705,732,689	1,581,207		-$0.0110
Large Use	$572,425	1.99%	-$1,223	79,638,262	153,852		-$0.0079
Unmetered Scattered Load	$131,824	0.46%	-$282	1,648,666	0	-$0.0002	
Street Lighting	$234,246	0.81%	-$500	7,792,006	21,835		-$0.0229
Embedded Distributor	$859	0.00%	-$2	28,618,000	71,600		$0.0000
	$28,834,778	100.00%	-$61,602				
	H		I				

Attachment C

RTSR Adjustment Workform





V2.1

Ontario Energy Board

RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

Choose Your Utility:

Waterloo North Hydro Inc.
Welland Hydro-Electric System Corp.

Application Type: IRM3
OEB Application #: EB-2011-0201
LDC Licence #: ED-2002-0575

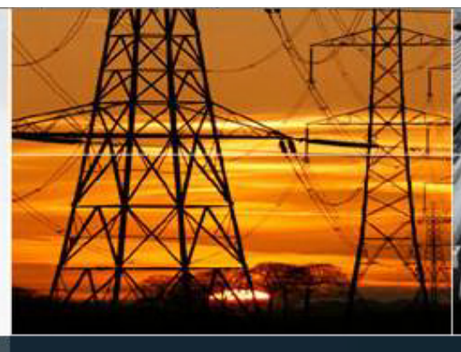
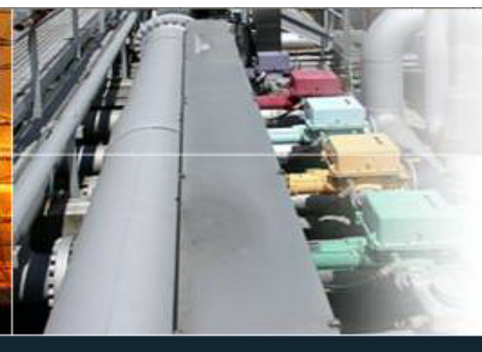
Last COS OEB Application #: EB-2010-0144
Last COS Re-Basing Year: 2011

Application Contact Information

Name:	Albert P. Singh
Title:	Vice President, Finance & CFO
Phone Number:	519-888-5542
Email Address:	asingh@wnhydro.com

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Ontario Energy Board

RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

Waterloo North Hydro Inc. - EB-2011-0201 - IRM3

1. Info

2. Table of Contents

3. Rate Classes

4. RRR Data

5. UTRs and Sub-Transmission

6. Historical Wholesale

7. Current Wholesale

8. Forecast Wholesale

9. Adj Network to Current WS

10. Adj Conn. to Current WS

11. Adj Network to Forecast WS

12. Adj Conn. to Forecast WS



Ontario Energy Board

RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

1. Select the appropriate rate classes that appear on your most recent Board-Approved Tariff of Rates and Charges.
2. Enter the RTS Network and Connection Rate as it appears on the Tariff of Rates and Charges

Rate Class	Unit	RTSR - Network	RTSR - Connection
Residential	kWh	$ 0.0067	$ 0.0022
General Service Less Than 50 kW	kWh	$ 0.0061	$ 0.0020
General Service 50 to 999 kW	kW	$ 2.4945	$ 0.7822
General Service 50 to 999 kW - Interval Metered	kW	$ 2.6495	$ 0.9759
General Service 1,000 to 4,999 kW - Interval Meters	kW	$ 2.6461	$ 0.9771
Large Use	kW	$ 2.9335	$ 0.9804
Unmetered Scattered Load	kWh	$ 0.0061	$ 0.0020
Street Lighting	kW	$ 1.8815	$ 0.6046
Embedded Distributor	kW	$ -	$ -
Choose Rate Class			
Choose Rate Class			
Choose Rate Class			
Choose Rate Class			
Choose Rate Class			
Choose Rate Class			
Choose Rate Class			
Choose Rate Class			
Choose Rate Class			
Choose Rate Class			
Choose Rate Class			
Choose Rate Class			




Ontario Energy Board

RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

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

Rate Class	Unit	Non-Loss Adjusted Metered kWh	Non-Loss Adjusted Metered kW	Applicable Loss Factor	Load Factor	Loss Adjusted Billed kWh	Billed kW
Residential	**kWh**	393,848,054		1.0404		409,759,515	-
General Service Less Than 50 kW	**kWh**	179,687,810		1.0404		186,947,198	-
General Service 50 to 999 kW	**kW**	141,818,044	405,419		**47.94%**	141,818,044	405,419
General Service 50 to 999 kW - Interval Metered	**kW**	314,724,309	719,366		**59.96%**	314,724,309	719,366
General Service 1,000 to 4,999 kW - Interval Meters	**kW**	249,190,336	456,422		**74.83%**	249,190,336	456,422
Large Use	**kW**	79,638,262	153,852		**70.95%**	79,638,262	153,852
Unmetered Scattered Load	**kWh**	1,648,666		1.0404		1,715,272	-
Street Lighting	**kW**	7,792,006	21,835		**48.91%**	7,792,006	21,835
Embedded Distributor	**kW**	28,618,000	71,600		**54.78%**	28,618,000	71,600



Ontario Energy Board

RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

Waterloo North Hydro Inc. - EB-2011-0201 - IRM3

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

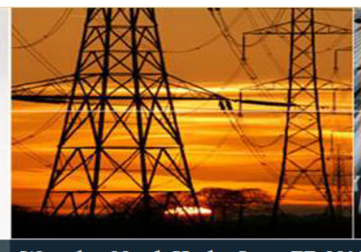
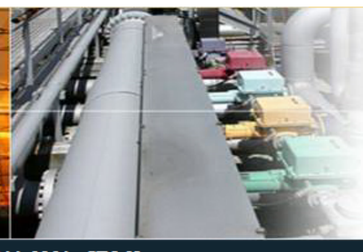
Hydro One Sub-Transmission Rates	Unit	Effective January 1, 2010	Effective January 1, 2011	Effective January 1, 2012
Rate Description		**Rate**	**Rate**	**Rate**
Network Service Rate	kW	$ 2.65	$ 2.65	$ 2.65
Line Connection Service Rate	kW	$ 0.64	$ 0.64	$ 0.64
Transformation Connection Service Rate	kW	$ 1.50	$ 1.50	$ 1.50
Both Line and Transformation Connection Service Rate	kW	$ 2.14	$ 2.14	$ 2.14

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

KITCHENER-WILMOT HYDRO	Unit	Effective January 1, 2010	Effective January 1, 2011	Effective January 1, 2012
Rate Description		**Rate ***	**Rate ***	**Rate ***
Network Service Rate	kW	$ 2.0767	$ 2.2864	$ 2.2864
Line Connection Service Rate	kW	$ 0.7108	$ 0.6044	$ 0.6044
Transformation Connection Service Rate	kW	$ -	$ -	$ -

CAMBRIDGE & N. DUMFRIES HYDRO	Unit	Effective January 1, 2010	Effective January 1, 2011	Effective January 1, 2012
Rate Description		**Rate ***	**Rate ***	**Rate ***
Network Service Rate	kW	$ 1.8616	$ 2.1470	$ 2.1470
Line Connection Service Rate	kW	$ 1.4788	$ 1.5897	$ 1.5897
Transformation Connection Service Rate	kW	$ -	$ -	$ -

* Effective May 1st of each year

Ontario Energy Board

RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

Waterloo North Hydro Inc. - EB-2011-0201 - IRM3

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

IESO

Month	Network Units Billed	Network Rate	Network Amount	Line Connection Units Billed	Line Connection Rate	Line Connection Amount	Transformation Connection Units Billed	Transformation Connection Rate	Transformation Connection Amount	Total Line Amount
January	221,733	$3.22	$ 713,980	221,583	$0.79	$ 175,051	31,950	$1.77	$ 56,551	$ 231,602
February	216,203	$3.22	$ 696,173	216,841	$0.79	$ 171,305	31,750	$1.77	$ 56,197	$ 227,502
March	216,584	$3.22	$ 697,402	216,438	$0.79	$ 170,986	31,840	$1.77	$ 56,357	$ 227,343
April	183,466	$3.22	$ 590,760	200,081	$0.79	$ 158,064	28,556	$1.77	$ 50,544	$ 208,608
May	187,322	$3.22	$ 603,176	196,007	$0.79	$ 154,845	25,563	$1.77	$ 45,247	$ 200,092
June	243,544	$3.22	$ 784,210	245,280	$0.79	$ 193,771	30,367	$1.77	$ 53,749	$ 247,520
July	199,857	$3.22	$ 643,541	207,879	$0.79	$ 164,224	26,835	$1.77	$ 47,499	$ 211,723
August	242,803	$3.22	$ 781,825	250,972	$0.79	$ 198,268	29,319	$1.77	$ 51,894	$ 250,162
September	202,316	$3.22	$ 651,457	214,833	$0.79	$ 169,718	27,431	$1.77	$ 48,553	$ 218,271
October	194,359	$3.22	$ 625,836	202,064	$0.79	$ 159,631	28,391	$1.77	$ 50,252	$ 209,883
November	207,820	$3.22	$ 669,181	213,770	$0.79	$ 168,879	30,727	$1.77	$ 54,386	$ 223,265
December	220,776	$3.22	$ 710,897	223,215	$0.79	$ 176,339	32,206	$1.77	$ 57,005	$ 233,344
Total	2,536,782	$ 3.22	$ 8,168,437	2,608,964	$ 0.79	$ 2,061,081	354,934	$ 1.77	$ 628,234	$ 2,689,315

HYDRO ONE

Month	Network Units Billed	Network Rate	Network Amount	Line Connection Units Billed	Line Connection Rate	Line Connection Amount	Transformation Connection Units Billed	Transformation Connection Rate	Transformation Connection Amount	Total Line Amount
January	5,910	$2.650	$ 15,661	5,906	$0.640	$ 3,780	5,870	$1.50	$ 8,805	$ 12,585
February	5,507	$2.650	$ 14,592	5,758	$0.640	$ 3,685	5,724	$1.50	$ 8,585	$ 12,271
March	5,138	$2.650	$ 13,616	5,135	$0.640	$ 3,286	5,104	$1.50	$ 7,656	$ 10,942
April	4,763	$2.650	$ 12,621	4,759	$0.640	$ 3,046	4,731	$1.50	$ 7,096	$ 10,142
May	4,062	$2.650	$ 10,764	4,059	$0.640	$ 2,598	4,035	$1.50	$ 6,052	$ 8,650
June	5,464	$2.650	$ 14,481	5,463	$0.640	$ 3,496	5,430	$1.50	$ 8,145	$ 11,641
July	5,311	$2.650	$ 14,073	5,307	$0.640	$ 3,396	5,275	$1.50	$ 7,913	$ 11,309
August	5,554	$2.650	$ 14,717	5,550	$0.640	$ 3,552	5,517	$1.50	$ 8,275	$ 11,827
September	4,349	$2.650	$ 11,525	4,381	$0.640	$ 2,804	4,355	$1.50	$ 6,532	$ 9,336
October	4,656	$2.650	$ 12,338	4,653	$0.640	$ 2,978	4,625	$1.50	$ 6,937	$ 9,915
November	5,336	$2.650	$ 14,141	5,333	$0.640	$ 3,413	5,301	$1.50	$ 7,951	$ 11,364
December	6,032	$2.650	$ 15,984	6,028	$0.640	$ 3,858	5,992	$1.50	$ 8,987	$ 12,845
Total	62,081	$ 2.65	$ 164,516	62,332	$ 0.64	$ 39,892	61,957	$ 1.50	$ 92,935	$ 132,828

KITCHENER-WILMOT HYDRO

Month	Network Units Billed	Network Rate	Network Amount	Line Connection Units Billed	Line Connection Rate	Line Connection Amount	Transformation Connection Units Billed	Transformation Connection Rate	Transformation Connection Amount	Total Line Amount
January	5,110	$2.2864	$ 11,684	5,107	$0.6044	$ 3,087		$0.00		$ 3,087
February	4,893	$2.2864	$ 11,188	4,891	$0.6044	$ 2,956		$0.00		$ 2,956
March	4,776	$2.2864	$ 10,920	4,919	$0.6044	$ 2,973		$0.00		$ 2,973
April	3,981	$2.2864	$ 9,101	3,978	$0.6044	$ 2,404		$0.00		$ 2,404
May	3,611	$2.2864	$ 8,256	3,609	$0.6044	$ 2,181		$0.00		$ 2,181
June	4,899	$2.2864	$ 11,201	4,896	$0.6044	$ 2,959		$0.00		$ 2,959
July	4,178	$2.2864	$ 9,553	4,175	$0.6044	$ 2,523		$0.00		$ 2,523
August	4,361	$2.2864	$ 9,972	4,359	$0.6044	$ 2,634		$0.00		$ 2,634
September	3,068	$2.2864	$ 7,015	3,067	$0.6044	$ 1,854		$0.00		$ 1,854
October	3,360	$2.2864	$ 7,681	3,357	$0.6044	$ 2,029		$0.00		$ 2,029
November	3,718	$2.2864	$ 8,500	3,961	$0.6044	$ 2,394		$0.00		$ 2,394
December	4,867	$2.2864	$ 11,128	4,864	$0.6044	$ 2,940		$0.00		$ 2,940
Total	50,823	$ 2.29	$ 116,201	51,182	$ 0.60	$ 30,934	-	$ -	$ -	$ 30,934

CAMBRIDGE & N. DUMFRIES HYDRO

Month	Network Units Billed	Network Rate	Network Amount	Line Connection Units Billed	Line Connection Rate	Line Connection Amount	Transformation Connection Units Billed	Transformation Connection Rate	Transformation Connection Amount	Total Line Amount
January	7,230	$2.1470	$ 15,523	7,225	$1.5897	$ 11,486		$0.00		$ 11,486
February	7,098	$2.1470	$ 15,239	7,093	$1.5897	$ 11,276		$0.00		$ 11,276
March	7,106	$2.1470	$ 15,257	7,101	$1.5897	$ 11,289		$0.00		$ 11,289
April	6,611	$2.1470	$ 14,193	6,606	$1.5897	$ 10,502		$0.00		$ 10,502
May	5,970	$2.1470	$ 12,818	5,966	$1.5897	$ 9,485		$0.00		$ 9,485
June	6,552	$2.1470	$ 14,067	6,548	$1.5897	$ 10,409		$0.00		$ 10,409
July	6,076	$2.1470	$ 13,045	6,072	$1.5897	$ 9,652		$0.00		$ 9,652
August	7,029	$2.1470	$ 15,092	7,024	$1.5897	$ 11,167		$0.00		$ 11,167
September	6,311	$2.1470	$ 13,550	6,307	$1.5897	$ 10,026		$0.00		$ 10,026
October	6,421	$2.1470	$ 13,785	6,416	$1.5897	$ 10,200		$0.00		$ 10,200
November	6,452	$2.1470	$ 13,851	6,447	$1.5897	$ 10,249		$0.00		$ 10,249
December	7,111	$2.1470	$ 15,268	7,106	$1.5897	$ 11,297		$0.00		$ 11,297
Total	79,967	$ 2.15	$ 171,689	79,913	$ 1.59	$ 127,037	-	$ -	$ -	$ 127,037

TOTAL

Month	Network Units Billed	Network Rate	Network Amount	Line Connection Units Billed	Line Connection Rate	Line Connection Amount	Transformation Connection Units Billed	Transformation Connection Rate	Transformation Connection Amount	Total Line Amount
January	239,983	$3.15	$ 756,848	239,821	$0.81	$ 193,403	37,820	$1.73	$ 65,356	$ 258,760
February	233,700	$3.15	$ 737,192	234,583	$0.81	$ 189,222	37,473	$1.73	$ 64,782	$ 254,004
March	233,605	$3.16	$ 737,195	233,593	$0.81	$ 188,534	36,944	$1.73	$ 64,013	$ 252,547
April	198,820	$3.15	$ 626,676	215,425	$0.81	$ 174,016	33,287	$1.73	$ 57,640	$ 231,657
May	200,965	$3.16	$ 635,015	209,641	$0.81	$ 169,109	29,598	$1.73	$ 51,299	$ 220,408
June	260,459	$3.16	$ 823,960	262,186	$0.80	$ 210,635	35,797	$1.73	$ 61,894	$ 272,529
July	215,422	$3.16	$ 680,212	223,433	$0.80	$ 179,797	32,111	$1.73	$ 55,411	$ 235,208
August	259,747	$3.16	$ 821,606	267,905	$0.80	$ 215,621	34,835	$1.73	$ 60,169	$ 275,790
September	216,044	$3.16	$ 683,547	228,588	$0.81	$ 184,401	31,786	$1.73	$ 55,085	$ 239,487
October	208,795	$3.16	$ 659,641	216,491	$0.81	$ 174,838	33,016	$1.73	$ 57,189	$ 232,027
November	223,326	$3.16	$ 705,674	229,511	$0.81	$ 184,935	36,027	$1.73	$ 62,337	$ 247,271
December	238,786	$3.15	$ 753,278	241,213	$0.81	$ 194,434	38,198	$1.73	$ 65,992	$ 260,426
Total	**2,729,653**	**$ 3.16**	**$ 8,620,842**	**2,802,390**	**$ 0.81**	**$ 2,258,945**	**416,891**	**$ 1.73**	**$ 721,169**	**$ 2,980,115**



Ontario Energy Board

RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

Waterloo North Hydro Inc. - EB-2011-0201 - IRM3

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

IESO

	Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	221,733	$3.22	$ 713,980	221,583	$0.79	$ 175,051	31,950	$1.77	$ 56,551	$ 231,602
February	216,203	$3.22	$ 696,173	216,841	$0.79	$ 171,305	31,750	$1.77	$ 56,197	$ 227,502
March	216,584	$3.22	$ 697,402	216,438	$0.79	$ 170,986	31,840	$1.77	$ 56,357	$ 227,343
April	183,466	$3.22	$ 590,760	200,081	$0.79	$ 158,064	28,556	$1.77	$ 50,544	$ 208,608
May	187,322	$3.22	$ 603,176	196,007	$0.79	$ 154,845	25,563	$1.77	$ 45,247	$ 200,092
June	243,544	$3.22	$ 784,210	245,280	$0.79	$ 193,771	30,367	$1.77	$ 53,749	$ 247,520
July	199,857	$3.22	$ 643,541	207,879	$0.79	$ 164,224	26,835	$1.77	$ 47,499	$ 211,723
August	242,803	$3.22	$ 781,825	250,972	$0.79	$ 198,268	29,319	$1.77	$ 51,894	$ 250,162
September	202,316	$3.22	$ 651,457	214,833	$0.79	$ 169,718	27,431	$1.77	$ 48,553	$ 218,271
October	194,359	$3.22	$ 625,836	202,064	$0.79	$ 159,631	28,391	$1.77	$ 50,252	$ 209,883
November	207,820	$3.22	$ 669,181	213,770	$0.79	$ 168,879	30,727	$1.77	$ 54,386	$ 223,265
December	220,776	$3.22	$ 710,897	223,215	$0.79	$ 176,339	32,206	$1.77	$ 57,005	$ 233,344
Total	2,536,782	$ 3.22	$ 8,168,437	2,608,964	$ 0.79	$ 2,061,081	354,934	$ 1.77	$ 628,234	$ 2,689,315

HYDRO ONE

	Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	5,910	$2.697	$ 15,939	5,906	$0.615	$ 3,632	5,870	$1.50	$ 8,805	$ 12,437
February	5,507	$2.697	$ 14,851	5,758	$0.615	$ 3,541	5,724	$1.50	$ 8,585	$ 12,127
March	5,138	$2.697	$ 13,858	5,135	$0.615	$ 3,158	5,104	$1.50	$ 7,656	$ 10,814
April	4,763	$2.697	$ 12,845	4,759	$0.615	$ 2,927	4,731	$1.50	$ 7,096	$ 10,023
May	4,062	$2.697	$ 10,955	4,059	$0.615	$ 2,496	4,035	$1.50	$ 6,052	$ 8,549
June	5,464	$2.697	$ 14,738	5,463	$0.615	$ 3,360	5,430	$1.50	$ 8,145	$ 11,505
July	5,311	$2.697	$ 14,323	5,307	$0.615	$ 3,264	5,275	$1.50	$ 7,913	$ 11,176
August	5,554	$2.697	$ 14,978	5,550	$0.615	$ 3,413	5,517	$1.50	$ 8,275	$ 11,688
September	4,349	$2.697	$ 11,730	4,381	$0.615	$ 2,694	4,355	$1.50	$ 6,532	$ 9,227
October	4,656	$2.697	$ 12,557	4,653	$0.615	$ 2,862	4,625	$1.50	$ 6,937	$ 9,799
November	5,336	$2.697	$ 14,392	5,333	$0.615	$ 3,280	5,301	$1.50	$ 7,951	$ 11,230
December	6,032	$2.697	$ 16,268	6,028	$0.615	$ 3,707	5,992	$1.50	$ 8,987	$ 12,694
Total	62,081	$ 2.70	$ 167,434	62,332	$ 0.62	$ 38,334	61,957	$ 1.50	$ 92,935	$ 131,269

KITCHENER-WILMOT HYDRO

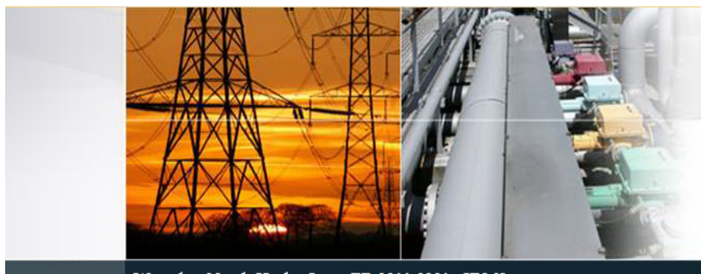
	Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	5,110	$2.2864	$ 11,684	5,107	$0.6044	$ 3,087		$0.00		$ 3,087
February	4,893	$2.2864	$ 11,188	4,891	$0.6044	$ 2,956		$0.00		$ 2,956
March	4,776	$2.2864	$ 10,920	4,919	$0.6044	$ 2,973		$0.00		$ 2,973
April	3,981	$2.2864	$ 9,101	3,978	$0.6044	$ 2,404		$0.00		$ 2,404
May	3,611	$2.2864	$ 8,256	3,609	$0.6044	$ 2,181		$0.00		$ 2,181
June	4,899	$2.2864	$ 11,201	4,896	$0.6044	$ 2,959		$0.00		$ 2,959
July	4,178	$2.2864	$ 9,553	4,175	$0.6044	$ 2,523		$0.00		$ 2,523
August	4,361	$2.2864	$ 9,972	4,359	$0.6044	$ 2,634		$0.00		$ 2,634
September	3,068	$2.2864	$ 7,015	3,067	$0.6044	$ 1,854		$0.00		$ 1,854
October	3,360	$2.2864	$ 7,681	3,357	$0.6044	$ 2,029		$0.00		$ 2,029
November	3,718	$2.2864	$ 8,500	3,961	$0.6044	$ 2,394		$0.00		$ 2,394
December	4,867	$2.2864	$ 11,128	4,864	$0.6044	$ 2,940		$0.00		$ 2,940
Total	50,823	$ 2.29	$ 116,201	51,182	$ 0.60	$ 30,934	-	$ -	$ -	$ 30,934

CAMBRIDGE & N. DUMFRIES HYDRO

	Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	7,230	$2.1470	$ 15,523	7,225	$1.5897	$ 11,486		$0.00		$ 11,486
February	7,098	$2.1470	$ 15,239	7,093	$1.5897	$ 11,276		$0.00		$ 11,276
March	7,106	$2.1470	$ 15,257	7,101	$1.5897	$ 11,289		$0.00		$ 11,289
April	6,611	$2.1470	$ 14,193	6,606	$1.5897	$ 10,502		$0.00		$ 10,502
May	5,970	$2.1470	$ 12,818	5,966	$1.5897	$ 9,485		$0.00		$ 9,485
June	6,552	$2.1470	$ 14,067	6,548	$1.5897	$ 10,409		$0.00		$ 10,409
July	6,076	$2.1470	$ 13,045	6,072	$1.5897	$ 9,652		$0.00		$ 9,652
August	7,029	$2.1470	$ 15,092	7,024	$1.5897	$ 11,167		$0.00		$ 11,167
September	6,311	$2.1470	$ 13,550	6,307	$1.5897	$ 10,026		$0.00		$ 10,026
October	6,421	$2.1470	$ 13,785	6,416	$1.5897	$ 10,200		$0.00		$ 10,200
November	6,452	$2.1470	$ 13,851	6,447	$1.5897	$ 10,249		$0.00		$ 10,249
December	7,111	$2.1470	$ 15,268	7,106	$1.5897	$ 11,297		$0.00		$ 11,297
Total	79,967	$ 2.15	$ 171,689	79,913	$ 1.59	$ 127,037	-	$ -	$ -	$ 127,037

TOTAL

	Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	239,983	$3.15	$ 757,126	239,821	$0.81	$ 193,256	37,820	$1.73	$ 65,356	$ 258,612
February	233,700	$3.16	$ 737,451	234,583	$0.81	$ 189,078	37,473	$1.73	$ 64,782	$ 253,860
March	233,605	$3.16	$ 737,436	233,593	$0.81	$ 188,406	36,944	$1.73	$ 64,013	$ 252,419
April	198,820	$3.15	$ 626,899	215,425	$0.81	$ 173,897	33,287	$1.73	$ 57,640	$ 231,538
May	200,965	$3.16	$ 635,205	209,641	$0.81	$ 169,007	29,598	$1.73	$ 51,299	$ 220,306
June	260,459	$3.16	$ 824,216	262,186	$0.80	$ 210,499	35,797	$1.73	$ 61,894	$ 272,393
July	215,422	$3.16	$ 680,461	223,433	$0.80	$ 179,664	32,111	$1.73	$ 55,411	$ 235,076
August	259,747	$3.16	$ 821,867	267,905	$0.80	$ 215,482	34,835	$1.73	$ 60,169	$ 275,651
September	216,044	$3.16	$ 683,751	228,588	$0.81	$ 184,292	31,786	$1.73	$ 55,085	$ 239,377
October	208,795	$3.16	$ 659,860	216,491	$0.81	$ 174,722	33,016	$1.73	$ 57,189	$ 231,911
November	223,326	$3.16	$ 705,925	229,511	$0.81	$ 184,801	36,027	$1.73	$ 62,337	$ 247,138
December	238,786	$3.16	$ 753,562	241,213	$0.81	$ 194,283	38,198	$1.73	$ 65,992	$ 260,276
Total	**2,729,653**	**$ 3.16**	**$ 8,623,760**	**2,802,390**	**$ 0.81**	**$ 2,257,387**	**416,891**	**$ 1.73**	**$ 721,169**	**$ 2,978,556**



Ontario Energy Board

RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

Waterloo North Hydro Inc. - EB-2011-0201 - IRM3

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

IESO

	Network			Line Connection			Transformation Connection			Total Line
			Amount			Amount			Amount	Amount
January	221,733	$3.22	$ 713,980	221,583	$0.79	$ 175,051	31,950	$1.77	$ 56,551	$ 231,602
February	216,203	$3.22	$ 696,173	216,841	$0.79	$ 171,305	31,750	$1.77	$ 56,197	$ 227,502
March	216,584	$3.22	$ 697,402	216,438	$0.79	$ 170,986	31,840	$1.77	$ 56,357	$ 227,343
April	183,466	$3.22	$ 590,760	200,081	$0.79	$ 158,064	28,556	$1.77	$ 50,544	$ 208,608
May	187,322	$3.22	$ 603,176	196,007	$0.79	$ 154,845	25,563	$1.77	$ 45,247	$ 200,092
June	243,544	$3.22	$ 784,210	245,280	$0.79	$ 193,771	30,367	$1.77	$ 53,749	$ 247,520
July	199,857	$3.22	$ 643,541	207,879	$0.79	$ 164,224	26,835	$1.77	$ 47,499	$ 211,723
August	242,803	$3.22	$ 781,825	250,972	$0.79	$ 198,268	29,319	$1.77	$ 51,894	$ 250,162
September	202,316	$3.22	$ 651,457	214,833	$0.79	$ 169,718	27,431	$1.77	$ 48,553	$ 218,271
October	194,359	$3.22	$ 625,836	202,064	$0.79	$ 159,631	28,391	$1.77	$ 50,252	$ 209,883
November	207,820	$3.22	$ 669,181	213,770	$0.79	$ 168,879	30,727	$1.77	$ 54,386	$ 223,265
December	220,776	$3.22	$ 710,897	223,215	$0.79	$ 176,339	32,206	$1.77	$ 57,005	$ 233,344
Total	2,536,782	$ 3.22	$ 8,168,437	2,608,964	$ 0.79	$ 2,061,081	354,934	$ 1.77	$ 628,234	$ 2,689,315

HYDRO ONE

	Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	5,910	$2.70	$ 15,939	5,906	$0.62	$ 3,632	5,870	$1.50	$ 8,805	$ 12,437
February	5,507	$2.70	$ 14,851	5,758	$0.62	$ 3,541	5,724	$1.50	$ 8,585	$ 12,127
March	5,138	$2.70	$ 13,858	5,135	$0.62	$ 3,158	5,104	$1.50	$ 7,656	$ 10,814
April	4,763	$2.70	$ 12,845	4,759	$0.62	$ 2,927	4,731	$1.50	$ 7,096	$ 10,023
May	4,062	$2.70	$ 10,955	4,059	$0.62	$ 2,496	4,035	$1.50	$ 6,052	$ 8,549
June	5,464	$2.70	$ 14,738	5,463	$0.62	$ 3,360	5,430	$1.50	$ 8,145	$ 11,505
July	5,311	$2.70	$ 14,323	5,307	$0.62	$ 3,264	5,275	$1.50	$ 7,913	$ 11,176
August	5,554	$2.70	$ 14,978	5,550	$0.62	$ 3,413	5,517	$1.50	$ 8,275	$ 11,688
September	4,349	$2.70	$ 11,730	4,381	$0.62	$ 2,694	4,355	$1.50	$ 6,532	$ 9,227
October	4,656	$2.70	$ 12,557	4,653	$0.62	$ 2,862	4,625	$1.50	$ 6,937	$ 9,799
November	5,336	$2.70	$ 14,392	5,333	$0.62	$ 3,280	5,301	$1.50	$ 7,951	$ 11,230
December	6,032	$2.70	$ 16,268	6,028	$0.62	$ 3,707	5,992	$1.50	$ 8,987	$ 12,694
Total	62,081	$ 2.70	$ 167,434	62,332	$ 0.62	$ 38,334	61,957	$ 1.50	$ 92,935	$ 131,269

KITCHENER-WILMOT HYDRO

	Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	5,110	$2.2864	$ 11,684	5,107	$0.6044	$ 3,087		$0.00		$ 3,087
February	4,893	$2.2864	$ 11,188	4,891	$0.6044	$ 2,956		$0.00		$ 2,956
March	4,776	$2.2864	$ 10,920	4,919	$0.6044	$ 2,973		$0.00		$ 2,973
April	3,981	$2.2864	$ 9,101	3,978	$0.6044	$ 2,404		$0.00		$ 2,404
May	3,611	$2.2864	$ 8,256	3,609	$0.6044	$ 2,181		$0.00		$ 2,181
June	4,899	$2.2864	$ 11,201	4,896	$0.6044	$ 2,959		$0.00		$ 2,959
July	4,178	$2.2864	$ 9,553	4,175	$0.6044	$ 2,523		$0.00		$ 2,523
August	4,361	$2.2864	$ 9,972	4,359	$0.6044	$ 2,634		$0.00		$ 2,634
September	3,068	$2.2864	$ 7,015	3,067	$0.6044	$ 1,854		$0.00		$ 1,854
October	3,360	$2.2864	$ 7,681	3,357	$0.6044	$ 2,029		$0.00		$ 2,029
November	3,718	$2.2864	$ 8,500	3,961	$0.6044	$ 2,394		$0.00		$ 2,394
December	4,867	$2.2864	$ 11,128	4,864	$0.6044	$ 2,940		$0.00		$ 2,940
Total	50,823	$ 2.29	$ 116,201	51,182	$ 0.60	$ 30,934	-	$ -	$ -	$ 30,934

CAMBRIDGE & N. DUMFRIES HYDRO

	Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	7,230	$2.1470	$ 15,523	7,225	$1.5897	$ 11,486		$0.00		$ 11,486
February	7,098	$2.1470	$ 15,239	7,093	$1.5897	$ 11,276		$0.00		$ 11,276
March	7,106	$2.1470	$ 15,257	7,101	$1.5897	$ 11,289		$0.00		$ 11,289
April	6,611	$2.1470	$ 14,193	6,606	$1.5897	$ 10,502		$0.00		$ 10,502
May	5,970	$2.1470	$ 12,818	5,966	$1.5897	$ 9,485		$0.00		$ 9,485
June	6,552	$2.1470	$ 14,067	6,548	$1.5897	$ 10,409		$0.00		$ 10,409
July	6,076	$2.1470	$ 13,045	6,072	$1.5897	$ 9,652		$0.00		$ 9,652
August	7,029	$2.1470	$ 15,092	7,024	$1.5897	$ 11,167		$0.00		$ 11,167
September	6,311	$2.1470	$ 13,550	6,307	$1.5897	$ 10,026		$0.00		$ 10,026
October	6,421	$2.1470	$ 13,785	6,416	$1.5897	$ 10,200		$0.00		$ 10,200
November	6,452	$2.1470	$ 13,851	6,447	$1.5897	$ 10,249		$0.00		$ 10,249
December	7,111	$2.1470	$ 15,268	7,106	$1.5897	$ 11,297		$0.00		$ 11,297
Total	79,967	$ 2.15	$ 171,689	79,913	$ 1.59	$ 127,037	-	$ -	$ -	$ 127,037

TOTAL

	Network			Line Connection			Transformation Connection			Total Line
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Units Billed	Rate	Amount	Amount
January	239,983	$3.15	$ 757,126	239,821	$0.81	$ 193,256	37,820	$1.73	$ 65,356	$ 258,612
February	233,700	$3.16	$ 737,451	234,583	$0.81	$ 189,078	37,473	$1.73	$ 64,782	$ 253,860
March	233,605	$3.16	$ 737,436	233,593	$0.81	$ 188,406	36,944	$1.73	$ 64,013	$ 252,419
April	198,820	$3.15	$ 626,899	215,425	$0.81	$ 173,897	33,287	$1.73	$ 57,640	$ 231,538
May	200,965	$3.16	$ 635,205	209,641	$0.81	$ 169,007	29,598	$1.73	$ 51,299	$ 220,306
June	260,459	$3.16	$ 824,216	262,186	$0.80	$ 210,499	35,797	$1.73	$ 61,894	$ 272,393
July	215,422	$3.16	$ 680,461	223,433	$0.80	$ 179,664	32,111	$1.73	$ 55,411	$ 235,076
August	259,747	$3.16	$ 821,867	267,905	$0.80	$ 215,482	34,835	$1.73	$ 60,169	$ 275,651
September	216,044	$3.16	$ 683,751	228,588	$0.81	$ 184,292	31,786	$1.73	$ 55,085	$ 239,377
October	208,795	$3.16	$ 659,860	216,491	$0.81	$ 174,722	33,016	$1.73	$ 57,189	$ 231,911
November	223,326	$3.16	$ 705,925	229,511	$0.81	$ 184,801	36,027	$1.73	$ 62,337	$ 247,138
December	238,786	$3.16	$ 753,562	241,213	$0.81	$ 194,283	38,198	$1.73	$ 65,992	$ 260,276
Total	2,729,653	$ 3.16	$ 8,623,760	2,802,390	$ 0.81	$ 2,257,387	416,891	$ 1.73	$ 721,169	$ 2,978,556



Ontario Energy Board

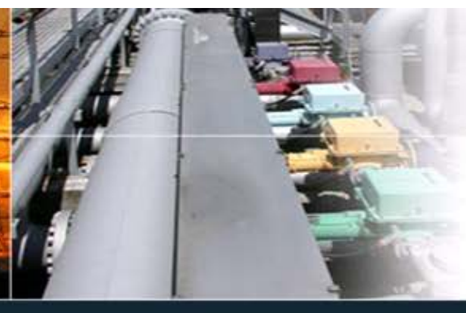
RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

Waterloo North Hydro Inc. - EB-2011-0201 - IRM3

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

Rate Class	Unit	Current RTSR - Network	Loss Adjusted Billed kWh	Loss Adjusted Billed kW	Billed Amount	Billed Amount %	Current Wholesale Billing	Adjusted RTSR Network
Residential	kWh	$ 0.0067	409,759,515	-	$ 2,745,389	32.2%	$ 2,780,895	$ 0.0068
General Service Less Than 50 kW	kWh	$ 0.0061	186,947,198	-	$ 1,140,378	13.4%	$ 1,155,127	$ 0.0062
General Service 50 to 999 kW	kW	$ 2.4945	141,818,044	405,419	$ 1,011,316	11.9%	$ 1,024,396	$ 2.5268
General Service 50 to 999 kW - Interval Metered	kW	$ 2.6495	314,724,309	719,366	$ 1,905,959	22.4%	$ 1,930,609	$ 2.6838
General Service 1,000 to 4,999 kW - Interval Meters	kW	$ 2.6461	249,190,336	456,422	$ 1,207,739	14.2%	$ 1,223,359	$ 2.6803
Large Use	kW	$ 2.9335	79,638,262	153,852	$ 451,324	5.3%	$ 457,161	$ 2.9714
Unmetered Scattered Load	kWh	$ 0.0061	1,715,272	-	$ 10,463	0.1%	$ 10,598	$ 0.0062
Street Lighting	kW	$ 1.8815	7,792,006	21,835	$ 41,083	0.5%	$ 41,614	$ 1.9058
Embedded Distributor	kW	$ -	28,618,000	71,600	$ -	0.0%	$ -	$ -
					$ 8,513,652		$ 8,623,760	
							$ -	





Ontario Energy Board

RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

Waterloo North Hydro Inc. - EB-2011-0201 - IRM3

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

Rate Class	Unit	Current RTSR - Connection	Loss Adjusted Billed kWh	Loss Adjusted Billed kW	Billed Amount	Billed Amount %	Current Wholesale Billing	Adjusted RTSR Connection
Residential	kWh	$ 0.0022	409,759,515	-	$ 901,471	31.0%	$ 923,359	$ 0.0023
General Service Less Than 50 kW	kWh	$ 0.0020	186,947,198	-	$ 373,894	12.9%	$ 382,973	$ 0.0020
General Service 50 to 999 kW	kW	$ 0.7822	141,818,044	405,419	$ 317,118	10.9%	$ 324,818	$ 0.8012
General Service 50 to 999 kW - Interval Metered	kW	$ 0.9759	314,724,309	719,366	$ 702,029	24.1%	$ 719,074	$ 0.9996
General Service 1,000 to 4,999 kW - Interval Meters	kW	$ 0.9771	249,190,336	456,422	$ 445,970	15.3%	$ 456,799	$ 1.0008
Large Use	kW	$ 0.9804	79,638,262	153,852	$ 150,836	5.2%	$ 154,499	$ 1.0042
Unmetered Scattered Load	kWh	$ 0.0020	1,715,272	-	$ 3,431	0.1%	$ 3,514	$ 0.0020
Street Lighting	kW	$ 0.6046	7,792,006	21,835	$ 13,202	0.5%	$ 13,522	$ 0.6193
Embedded Distributor	kW	$ -	28,618,000	71,600	$ -	0.0%	$ -	$ -
					$ 2,907,951		$ 2,978,556	
							-	




Ontario Energy Board

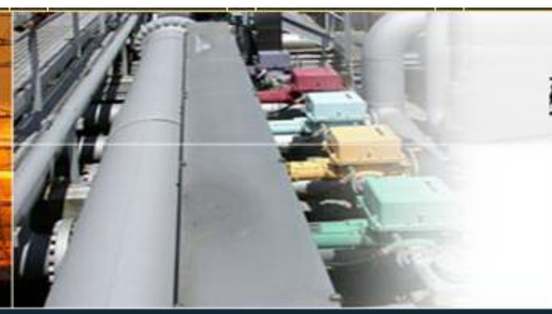
RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

Waterloo North Hydro Inc. - EB-2011-0201 - IRM3

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

Rate Class	Unit	Adjusted RTSR - Network	Loss Adjusted Billed kWh	Loss Adjusted Billed kW	Billed Amount	Billed Amount %	Forecast Wholesale Billing	Proposed RTSR Network
Residential	kWh	$ 0.0068	409,759,515	-	$ 2,780,895	32.2%	$ 2,780,895	$ 0.0068
General Service Less Than 50 kW	kWh	$ 0.0062	186,947,198	-	$ 1,155,127	13.4%	$ 1,155,127	$ 0.0062
General Service 50 to 999 kW	kW	$ 2.5268	141,818,044	405,419	$ 1,024,396	11.9%	$ 1,024,396	$ 2.5268
General Service 50 to 999 kW - Interval Metered	kW	$ 2.6838	314,724,309	719,366	$ 1,930,609	22.4%	$ 1,930,609	$ 2.6838
General Service 1,000 to 4,999 kW - Interval Meters	kW	$ 2.6803	249,190,336	456,422	$ 1,223,359	14.2%	$ 1,223,359	$ 2.6803
Large Use	kW	$ 2.9714	79,638,262	153,852	$ 457,161	5.3%	$ 457,161	$ 2.9714
Unmetered Scattered Load	kWh	$ 0.0062	1,715,272	-	$ 10,598	0.1%	$ 10,598	$ 0.0062
Street Lighting	kW	$ 1.9058	7,792,006	21,835	$ 41,614	0.5%	$ 41,614	$ 1.9058
Embedded Distributor	kW	$ -	28,618,000	71,600	$ -	0.0%	$ -	$ -
				-				
					$ 8,623,760		$ 8,623,760	
							-	





Ontario Energy Board

RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

Waterloo North Hydro Inc. - EB-2011-0201 - IRM3

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

Rate Class	Unit	Adjusted RTSR - Connection	Loss Adjusted Billed kWh	Loss Adjusted Billed kW	Billed Amount	Billed Amount %	Forecast Wholesale Billing	Proposed RTSR Connection
Residential	kWh	$ 0.0023	409,759,515	-	$ 923,359	31.0%	$ 923,359	$ 0.0023
General Service Less Than 50 kW	kWh	$ 0.0020	186,947,198	-	$ 382,973	12.9%	$ 382,973	$ 0.0020
General Service 50 to 999 kW	kW	$ 0.8012	141,818,044	405,419	$ 324,818	10.9%	$ 324,818	$ 0.8012
General Service 50 to 999 kW - Interval Metered	kW	$ 0.9996	314,724,309	719,366	$ 719,074	24.1%	$ 719,074	$ 0.9996
General Service 1,000 to 4,999 kW - Interval Meters	kW	$ 1.0008	249,190,336	456,422	$ 456,799	15.3%	$ 456,799	$ 1.0008
Large Use	kW	$ 1.0042	79,638,262	153,852	$ 154,499	5.2%	$ 154,499	$ 1.0042
Unmetered Scattered Load	kWh	$ 0.0020	1,715,272	-	$ 3,514	0.1%	$ 3,514	$ 0.0020
Street Lighting	kW	$ 0.6193	7,792,006	21,835	$ 13,522	0.5%	$ 13,522	$ 0.6193
Embedded Distributor	kW	$ -	28,618,000	71,600	$ -	0.0%	$ -	$ -
					$ 2,978,556			



Ontario Energy Board

RTSR WORK FORM FOR ELECTRICITY DISTRIBUTORS

Waterloo North Hydro Inc. - EB-2011-0201 - IRM3

For Cost of Service Applicants, please enter the following Proposed RTS rates into your rates model.

For IRM applicants, please enter these rates into the 2012 Rate Generator.

Rate Class	Unit	Proposed RTSR Network	Proposed RTSR Connection
Residential	kWh	$ 0.0068	$ 0.0023
General Service Less Than 50 kW	kWh	$ 0.0062	$ 0.0020
General Service 50 to 999 kW	kW	$ 2.5268	$ 0.8012
General Service 50 to 999 kW - Interval Metered	kW	$ 2.6838	$ 0.9996
General Service 1,000 to 4,999 kW - Interval Meters	kW	$ 2.6803	$ 1.0008
Large Use	kW	$ 2.9714	$ 1.0042
Unmetered Scattered Load	kWh	$ 0.0062	$ 0.0020
Street Lighting	kW	$ 1.9058	$ 0.6193
Embedded Distributor	kW	$ -	$ -

Attachment D

Current
May 1, 2011
Tariff Sheet

APPENDIX A

TO REVISED RATE ORDER

WATERLOO NORTH HYDRO INC.

EB-2011-0221

DATED: June 9, 2011

Waterloo North Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective Date May 1, 2011 and Implementation Date June 1, 2011

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

EB-2010-0144
EB-2011-0221

RESIDENTIAL SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less where the electricity is used exclusively in a separate metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex house, with a residential zoning. Separately metered dwellings within a town house complex or apartment building also qualify as residential customers. All customers are single-phase. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	14.56
Smart Meter Funding Adder	$	1.00
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	0.19
Distribution Volumetric Rate	$/kWh	0.0184
Low Voltage Service Rate	$/kWh	0.0001
Rate Rider for Global Adjustment Sub-Account Disposition (2010) – effective until April 30, 2014 Applicable only for Non-RPP Customers	$/kWh	0.0003
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2014 Applicable only for Non-RPP Customers	$/kWh	0.00072
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2014	$/kWh	(0.0027)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2014	$/kWh	(0.00003)
Rate Rider for Foregone Incremental Revenue – effective until April 30, 2012	$/kWh	0.0005
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM)/Shared Savings Mechanism (SSM) Recovery – effective until April 30, 2015	$/kWh	0.0002
Rate Rider for Capital Gain – effective until April 30, 2014	$/kWh	(0.0007)
Retail Transmission Rate – Network Service Rate	$/kWh	0.0067
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0022

Revised May 19, 2011
Revised June 9, 2011 under EB-2011-0221

Waterloo North Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective Date May 1, 2011 and Implementation Date June 1, 2011

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

EB-2010-0144
EB-2011-0221

MONTHLY RATES AND CHARGES – Regulatory Component

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

Revised May 19, 2011
Revised June 9, 2011 under EB-2011-0221

Waterloo North Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective Date May 1, 2011 and Implementation Date June 1, 2011

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

EB-2010-0144
EB-2011-0221

GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

This classification applies to a non residential account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 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 the Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	30.63
Smart Meter Funding Adder	$	1.00
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	0.45
Distribution Volumetric Rate	$/kWh	0.0137
Low Voltage Service Rate	$/kWh	0.0001
Rate Rider for Global Adjustment Sub-Account Disposition (2010) – effective until April 30, 2014 Applicable only for Non-RPP Customers	$/kWh	0.0003
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2014 Applicable only for Non-RPP Customers	$/kWh	0.00072
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2014	$/kWh	(0.0027)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2014	$/kWh	(0.00003)
Rate Rider for Foregone Incremental Revenue – effective until April 30, 2012	$/kWh	0.0003
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM)/Shared Savings Mechanism (SSM) Recovery – effective until April 30, 2015	$/kWh	0.0001
Rate Rider for Capital Gain – effective until April 30, 2014	$/kWh	(0.0004)
Retail Transmission Rate – Network Service Rate	$/kWh	0.0061
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0020

MONTHLY RATES AND CHARGES – Regulatory Component

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

Revised May 19, 2011
Revised June 9, 2011 under EB-2011-0221

Waterloo North Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective Date May 1, 2011 and Implementation Date June 1, 2011

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

EB-2010-0144
EB-2011-0221

GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION

This classification applies to a non residential account whose average monthly maximum demand used for billing purposes 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. Note that for the application of the Retail Transmission Rate – Network Service Rate and the Retail Transmission Rate – Line and Transformation Connection Service Rate the following sub-classifications apply:

General Service 50 to 999 kW non-interval metered
General Service 50 to 999 kW interval metered
General Service 1,000 to 4,999 kW interval metered.

APPLICATION

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

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

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

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

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	162.82
Smart Meter Funding Adder	$	1.00
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	6.67
Distribution Volumetric Rate	$/kW	4.3073
Low Voltage Service Rate	$/kW	0.0551
Rate Rider for Global Adjustment Sub-Account Disposition (2010) – effective until April 30, 2014 Applicable only for Non-RPP Customers	$/kW	0.1297
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2014 Applicable only for Non-RPP Customers	$/kW	0.27956
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2014	$/kW	(1.1063)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2014	$/kW	(0.06474)
Rate Rider for Foregone Incremental Revenue for Low Voltage Service – effective until April 30, 2012	$/kW	0.0023
Rate Rider for Foregone Incremental Revenue – effective until April 30, 2012	$/kW	0.0584
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM)/Shared Savings Mechanism (SSM) Recovery – effective until April 30, 2015	$/kW	0.1495
Rate Rider for Capital Gain – effective until April 30, 2014	$/kW	(0.0866)
Retail Transmission Rate – Network Service Rate – (less than 1,000 kW)	$/kW	2.4945
Retail Transmission Rate – Network Service Rate – Interval Metered (less than 1,000 kW)	$/kW	2.6495
Retail Transmission Rate – Network Service Rate – Interval Metered (1,000 to 4,999 kW)	$/kW	2.6461

Revised May 19, 2011
Revised June 9, 2011 under EB-2011-0221

Waterloo North Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective Date May 1, 2011 and Implementation Date June 1, 2011

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

		EB-2010-0144 EB-2011-0221
Retail Transmission Rate – Line and Transformation Connection Service Rate – (less than 1,000 kW)	$/kW	0.7822
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered (less than 1,000 kW)	$/kW	0.9771
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered (1,000 to 4,999 kW)	$/kW	0.9759

MONTHLY RATES AND CHARGES – Regulatory Component

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

Waterloo North Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective Date May 1, 2011 and Implementation Date June 1, 2011

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

EB-2010-0144
EB-2011-0221

LARGE USE SERVICE CLASSIFICATION

This classification applies to an account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater 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 the Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	6,686.47
Smart Meter Funding Adder	$	1.00
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	251.30
Distribution Volumetric Rate	$/kW	3.1991
Low Voltage Service Rate	$/kW	0.0553
Rate Rider for Global Adjustment Sub-Account Disposition (2010) – effective until April 30, 2014 Applicable only for Non-RPP Customers	$/kW	0.1620
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2014 Applicable only for Non-RPP Customers	$/kW	0.35873
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2014	$/kW	(1.3863)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2014	$/kW	(0.09798)
Rate Rider for Foregone Incremental Revenue for Low Voltage Service – effective until April 30, 2012	$/kW	0.0016
Rate Rider for Foregone Incremental Revenue – effective until April 30, 2012	$/kW	0.0457
Rate Rider for Capital Gain – effective until April 30, 2014	$/kW	(0.0678)
Retail Transmission Rate – Network Service Rate – Interval Metered	$/kW	2.9335
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	$/kW	0.9804

MONTHLY RATES AND CHARGES – Regulatory Component

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

Revised May 19, 2011
Revised June 9, 2011 under EB-2011-0221

Waterloo North Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective Date May 1, 2011 and Implementation Date June 1, 2011

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

EB-2010-0144
EB-2011-0221

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less whose average monthly maximum 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 level of the consumption will be agreed to by the distributor and the customer, based on detailed manufacturer information/ documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption. Further 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 the Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	$	15.31
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	0.14
Distribution Volumetric Rate	$/kWh	0.0190
Low Voltage Service Rate	$/kWh	0.0001
Rate Rider for Global Adjustment Sub-Account Disposition (2010) – effective until April 30, 2014 Applicable only for Non-RPP Customers	$/kWh	0.0003
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2014 Applicable only for Non-RPP Customers	$/kWh	0.00072
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2014	$/kWh	(0.0027)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2014	$/kWh	0.00067
Rate Rider for Foregone Incremental Revenue – effective until April 30, 2012	$/kWh	0.0008
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM)/Shared Savings Mechanism (SSM) Recovery – effective until April 30, 2015	$/kWh	0.0048
Rate Rider for Capital Gain – effective until April 30, 2014	$/kWh	(0.0015)
Retail Transmission Rate – Network Service Rate	$/kWh	0.0061
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0020

Revised May 19, 2011
Revised June 9, 2011 under EB-2011-0221

Waterloo North Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective Date May 1, 2011 and Implementation Date June 1, 2011

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

EB-2010-0144
EB-2011-0221

MONTHLY RATES AND CHARGES – Regulatory Component

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

Revised May 19, 2011
Revised June 9, 2011 under EB-2011-0221

Waterloo North Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective Date May 1, 2011 and Implementation Date June 1, 2011

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

EB-2010-0144
EB-2011-0221

STREET LIGHTING SERVICE CLASSIFICATION

This classification applies to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting, 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 the Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	$	0.33
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until April 30, 2012	$	0.01
Distribution Volumetric Rate	$/kW	8.3232
Low Voltage Service Rate	$/kW	0.0341
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2014 Applicable only for Non-RPP Customers	$/kW	0.10098
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2014	$/kW	(0.9707)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2014	$/kW	0.02857
Rate Rider for Foregone Incremental Revenue for Low Voltage Service – effective until April 30, 2012	$/kW	0.0010
Rate Rider for Foregone Incremental Revenue – effective until April 30, 2012	$/kW	0.1435
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM)/Shared Savings Mechanism (SSM) Recovery – effective until April 30, 2015	$/kW	0.2475
Rate Rider for Capital Gain – effective until April 30, 2014	$/kW	(0.1959)
Retail Transmission Rate – Network Service Rate	$/kW	1.8815
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	0.6046

MONTHLY RATES AND CHARGES – Regulatory Component

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

Revised May 19, 2011
Revised June 9, 2011 under EB-2011-0221

Waterloo North Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective Date May 1, 2011 and Implementation Date June 1, 2011

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EB-2010-0144
EB-2011-0221

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.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	$	5.25

Waterloo North Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective Date May 1, 2011 and Implementation Date June 1, 2011

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EB-2010-0144
EB-2011-0221

EMBEDDED DISTRIBUTOR SERVICE CLASSIFICATION

This classification applies to an electricity distributor licensed by the Board that is provided electricity by means of this distributor's facilities. 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.

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MONTHLY RATES AND CHARGES – Delivery Component

Distribution Volumetric Rate	$/kW	0.0120
Rate Rider for Global Adjustment Sub-Account Disposition (2010) – effective until April 30, 2014 Applicable only for Non-RPP Customers	$/kW	0.1297
Rate Rider for Global Adjustment Sub-Account Disposition (2011) – effective until April 30, 2014 Applicable only for Non-RPP Customers	$/kW	0.27956
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2014	$/kW	(1.1063)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until April 30, 2014	$/kW	(0.06474)
Rate Rider for Foregone Incremental Revenue – effective until April 30, 2012	$/kW	0.0011
Rate Rider for Capital Gain – effective until April 30, 2014	$/kW	(0.00020)

MONTHLY RATES AND CHARGES – Regulatory Component

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

Revised May 19, 2011
Revised June 9, 2011 under EB-2011-0221

Waterloo North Hydro Inc.
TARIFF OF RATES AND CHARGES
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EB-2010-0144
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ALLOWANCES

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

SPECIFIC SERVICE CHARGES

APPLICATION

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

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

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Customer Administration		
Easement Letter	$	15.00
Notification Charge	$	15.00
Credit reference/credit check (plus credit agency costs)	$	15.00
Returned Cheque charge (plus bank charges)	$	15.00
Duplicate Invoices for Previous Billing	$	15.00
Income Tax Letter	$	15.00
Account set up charge / change of occupancy charge (plus credit agency costs if applicable)	$	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
Disconnect/Reconnect at meter – during regular hours	$	65.00
Disconnect/Reconnect at meter – after regular hours	$	185.00
Specific Charge for Access to the Power Poles – per pole/year	$	22.35

Waterloo North Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective Date May 1, 2011 and Implementation Date June 1, 2011

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EB-2010-0144
EB-2011-0221

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.

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

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

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	1.0404
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0150
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0300
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0050

Revised May 19, 2011
Revised June 9, 2011 under EB-2011-0221

Attachment E

2002
Rate Application
Model

SHEET 1 - 2001 OEB Approved Rate Schedule

V2

NAME OF UTILITY	Waterloo North Hydro Inc.	**LICENCE NUMBER**	ED-1999-0131
NAME OF CONTACT	Duc Le	**PHONE NUMBER**	519-886-5090 ext. 210
E- Mail Address	dle@wnhydro.on.ca		
VERSION NUMBER			
Date	25-Jan-02		

Enter the values for your 2001 OEB approved distribution rates in the appropriate areas which are highlighted in yellow.

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.0068
MONTHLY SERVICE CHARGE (Per Customer)	$11.75
COST OF POWER KWH RATE	$0.0736

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	
MONTHLY SERVICE CHARGE (Per Customer)	

COST OF POWER TIME OF USE RATES	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.0059
MONTHLY SERVICE CHARGE (Per Customer)	$24.90
COST OF POWER KWH RATE	$0.0728

GENERAL SERVICE < 50 KW (TIME OF USE)

DISTRIBUTION KWH RATE	
MONTHLY SERVICE CHARGE (Per Customer)	

COST OF POWER TIME OF USE RATES	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$2.3100
MONTHLY SERVICE CHARGE (Per Customer)	$151.53
COST OF POWER KW RATE	$6.0500
COST OF POWER KWH RATE	$0.0528

GENERAL SERVICE > 50 KW (TIME OF USE)

DISTRIBUTION KW RATE	
MONTHLY SERVICE CHARGE (Per Customer)	

COST OF POWER TIME OF USE RATES	WINTER PEAK $/KW	SUMMER PEAK $/KW	WINTER PEAK $/KWH	WINTER OFF-PEAK $/KWH	SUMMER PEAK $/KWH	SUMMER OFF-PEAK $/KWH
	$0.00	$0.00	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE INTERMEDIATE USE

DISTRIBUTION KW RATE	
MONTHLY SERVICE CHARGE (Per Customer)	

COST OF POWER TIME OF USE RATES	WINTER PEAK $/KW	SUMMER PEAK $/KW	WINTER PEAK $/KWH	WINTER OFF-PEAK $/KWH	SUMMER PEAK $/KWH	SUMMER OFF-PEAK $/KWH
	$0.00	$0.00	$0.0000	$0.0000	$0.0000	$0.0000

LARGE USE

DISTRIBUTION KW RATE	$1.7400
MONTHLY SERVICE CHARGE (Per Customer)	$5,452.00

COST OF POWER TIME OF USE RATES	WINTER PEAK $/KW	SUMMER PEAK $/KW	WINTER PEAK $/KWH	WINTER OFF-PEAK $/KWH	SUMMER PEAK $/KWH	SUMMER OFF-PEAK $/KWH
	$10.6300	$7.7300	$0.0689	$0.0412	$0.0582	$0.0306

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	$13.3000
MONTHLY SERVICE CHARGE (Per Connection)	$1.57
COST OF POWER KW RATE	$13.4100

OR

SENTINEL LIGHTS (TIME OF USE)

DISTRIBUTION KW RATE	
MONTHLY SERVICE CHARGE (Per Connection)	

COST OF POWER TIME OF USE RATES	WINTER PEAK $/KW	SUMMER PEAK $/KW
	$0.0000	$0.0000

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	$4.3000
MONTHLY SERVICE CHARGE (Per Connection)	$0.27
COST OF POWER KW RATE	$22.6600

OR

STREET LIGHTING (TIME OF USE)

DISTRIBUTION KW RATE		
MONTHLY SERVICE CHARGE (Per Connection)		

COST OF POWER TIME OF USE RATES	WINTER PEAK $/KW	SUMMER PEAK $/KW
	$0.0000	$0.0000

MISCELLANEOUS CHARGES

ADD 2001 OEB APPROVED MISCELLANEOUS CHARGES BELOW.
Please enter these charges exactly as they are entered in your current approved rate schedule.
Please add your specific charges as necessary.

New Account Setup		$	-
Change of Occupancy		$	-
Account History			
Administration Fee		$	-
Current Year Data		$	-
Each Additional Year Data		$	-
Arrear's Certificate		$	-
Late Payment			5.00%
Returned Cheque		$	13.00
Collection of Account Charge		$	7.00
Disconnect/Reconnect Charges (non payment of account)			
At Meter - During Regular Hours		$	15.00
At Meter - After Hours		$	27.00
Temporary Pole Service		$	50.00
Check meter		$	5.00
Temporary Service Connection		$	100.00
After Hours High Voltage Station Outage		$	-
Residential Service 2nd Visit to Connect New Service		$	-
Residential Service After Hours Visit to Connect New Service		$	-
Diversity Adjustment Credit (per KW)	Winter	$	1.80
(discontinued at Market Opening)	Summer	$	1.51

SHEET 2 - 2002 Rate Schedule including 2nd Year PBR Adjustment

NAME OF UTILITY	Waterloo North Hydro Inc.	**LICENCE NUMBER**	ED-1999-0131
NAME OF CONTACT	Duc Le	**PHONE NUMBER**	519-886-5090 ext. 210
E- Mail Address	dle@wnhydro.on.ca		
VERSION NUMBER	0		
Date	25-Jan-02		

Enter the IPI for 2001 when released by the Board in January.

IPI	PF	Adjustment Factor
0.4%	-1.5%	-1.1%

or

98.90%

of current rates.

This schedule includes distribution rates which have been adjusted for the IPI - PF 2nd year PBR rate adjustment.

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.006725
MONTHLY SERVICE CHARGE (Per Customer)	$11.6208
COST OF POWER KWH RATE	$0.0736

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	$0.000000
MONTHLY SERVICE CHARGE (Per Customer)	$0.0000

COST OF POWER TIME OF USE RATES	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.005835
MONTHLY SERVICE CHARGE (Per Customer)	$24.6261
COST OF POWER KWH RATE	$0.07275

GENERAL SERVICE < 50 KW (TIME OF USE)

DISTRIBUTION KWH RATE	$0.000000
MONTHLY SERVICE CHARGE (Per Customer)	$0.0000

COST OF POWER TIME OF USE RATES	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$2.284590
MONTHLY SERVICE CHARGE (Per Customer)	$149.8632
COST OF POWER KW RATE	$6.0500
COST OF POWER KWH RATE	$0.0528

GENERAL SERVICE > 50 KW (TIME OF USE)

DISTRIBUTION KW RATE	$0.000000

MONTHLY SERVICE CHARGE (Per Customer) $0.0000

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.00	$0.00	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE INTERMEDIATE USE

DISTRIBUTION KW RATE $0.000000

MONTHLY SERVICE CHARGE (Per Customer) $0.0000

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.00	$0.00	$0.0000	$0.0000	$0.0000	$0.0000

LARGE USE

DISTRIBUTION KW RATE $1.720860

MONTHLY SERVICE CHARGE (Per Customer) $5,392.03

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$10.63	$7.73	$0.0689	$0.0412	$0.0582	$0.0306

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE $13.153700

MONTHLY SERVICE CHARGE (Per Connection) $1.5527

COST OF POWER KW RATE $13.4100

OR

SENTINEL LIGHTS (TIME OF USE)

DISTRIBUTION KW RATE $0.0000

MONTHLY SERVICE CHARGE (Per Connection) $0.00

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK
	$/KW	$/KW
	$0.0000	$0.0000

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE $4.2527

MONTHLY SERVICE CHARGE (Per Connection) $0.2670

COST OF POWER KW RATE $22.6600

OR

STREET LIGHTING (TIME OF USE)

DISTRIBUTION KW RATE $0.0000

MONTHLY SERVICE CHARGE (Per Connection) $0.00

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK
	$/KW	$/KW
	$0.0000	$0.0000

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SHEET 3 - Calculating Rate Increases using 1999 LDC Data and adding 2002 Incremental MARR

NAME OF UTILITY	Waterloo North Hydro Inc.	**LICENCE NUMBER**	ED-1999-0131
NAME OF CONTACT	Duc Le	**PHONE NUMBER**	519-886-5090 ext. 210
E- Mail Address	dle@wnhydro.on.ca		
VERSION NUMBER	0		
Date	25-Jan-02		

This schedule requires LDCs to input the 1999 statistics (identical to those in your approved RUD Model) which will be used to allocate distribution revenue to rate classes and also used to determine 2002 rate additions to recover the additional 1/3 of incremental MARR.

If your LDC has other issues that will have a permanent impact on MARR (change in late payment policy or other revenue adjustments) you must justify them and provide evidence in your manager's summary.

Enter the permanent revenue adjustment amount here: $ 375,395.00 Cell G36 will be adjusted by this amount.

Enter the 1/3 of incremental MARR used in the RUD Model that your LDC used for approved 2001 rates. $ 1,204,760.93

Enter the 1/3 of incremental MARR you seek to recover in 2002 (should be same as previous entry) $ 1,204,760.93

Enter the 1/3 of incremental MARR you will seek to recover in 2003 (should be same as first 1/3 increment) $ 1,204,760.93

Use the Table below to enter the 1999 statistics for your LDC.
These should be the same as reported to the OEB in your approved RUD Model used to set current rates.
The share of class distribution revenue in 1999 is used to allocate the additional 1/3 incremental MARR to the classes for 2002 rates.

1999 Statistics by Class	kW	kWh	Number of Customers (Connections)	Distribution Revenues	1999 Revenue Shares	2002 1/3 MARR Allocations
RESIDENTIAL CLASS	-	335,229,006	34,914	$6,607,788.45	48.04%	$ 759,134.95
GENERAL SERVICE <50 KW CLASS	-	167,251,746	4,924	$2,254,801.20	16.39%	$ 259,042.55
GENERAL SERVICE >50 KW NON TIME OF USE	1,445,722	-	786	$4,380,409.80	31.85%	$ 503,242.83
GENERAL SERVICE >50 KW TIME OF USE	0	-	0	$0.00	0.00%	$ -
INTERMEDIATE USE	0	-	0	$0.00	0.00%	$ -
LARGE USER CLASS	175,635	-	2	$401,040.79	2.92%	$ 46,073.52
SENTINEL LIGHTS	43	-	13	$751.41	0.01%	$ 86.33
STREET LIGHTING CLASS	19,368	-	10,943	$109,463.91	0.80%	$ 12,575.75
TOTALS				$13,754,255.56	1.00	$ 1,580,155.93
			Allocated Total for 2002 including adjustments at Cell B13 ==>			$ 1,580,155.93

Residential Class

Enter Your approved Variable Charge/Fixed Charge Split from your approved 2001 RUD Model for this class:

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	TOTAL 2002 ALLOCATED DISTRIBUTION REVENUE
	Percentage	Percentage	
	0.315	0.685	100%
(A) ALLOCATED 2002 1/3 MARR REVENUE (Total in Cell G26 above)	$ 239,127.51	$ 520,007.44	$ 759,134.95
(B) RETAIL KWH	335,229,006		
(C) NUMBER OF CUSTOMERS		34,914	
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.000713		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 2 and the total new Service Charge appears on the Rate Schedule on Sheet 4)		$1.2412	

General Service <50kW Class

Enter Your approved Variable Charge/Fixed Charge Split from your approved 2001 RUD Model for this class:

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	TOTAL 2002 ALLOCATED DISTRIBUTION REVENUE
	Percentage	Percentage	
	0.400	0.600	100%
(A) ALLOCATED 2002 1/3 MARR REVENUE (Total in Cell G27 above)	$ 103,617.02	$ 155,425.53	$ 259,042.55
(B) RETAIL KWH	167,251,746		
(C) NUMBER OF CUSTOMERS		4,924	
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(E (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.000620		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 2 and the total new Service Charge appears on the Rate Schedule on Sheet 4)		$2.6304	

General Service >50kW Class Non TOU

Enter Your approved Variable Charge/Fixed Charge Split from your approved 2001 RUD Model for this class:

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	TOTAL 2002 ALLOCATED DISTRIBUTION REVENUE
	Percentage	Percentage	
	0.700	0.300	100%
(A) ALLOCATED 2002 1/3 MARR REVENUE (Total in Cell G28 above)	$ 352,269.98	$ 150,972.85	$ 503,242.83
(B) RETAIL KW	1,445,722		
(C) NUMBER OF CUSTOMERS		786	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.243664		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 2 and the total new Service Charge appears on the Rate Schedule on Sheet 4)		$16.0065	

General Service >50kW ClassTOU

Enter Your approved Variable Charge/Fixed Charge Split from your approved 2001 RUD Model for this class:

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	TOTAL 2002 ALLOCATED DISTRIBUTION REVENUE
	Percentage	Percentage	
	0.000	1.000	100%
(A) ALLOCATED 2002 1/3 MARR REVENUE (Total in Cell G29 above)	$ -	$ -	$ -
(B) RETAIL KW	0		
(C) NUMBER OF CUSTOMERS		-	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 2 and the total new Service Charge appears on the Rate Schedule on Sheet 4)		#DIV/0!	

Intermediate Class

Enter Your approved Variable Charge/Fixed Charge Split from your approved 2001 RUD Model for this class:

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	TOTAL 2002 ALLOCATED DISTRIBUTION REVENUE
	Percentage	Percentage	
	0.000	1.000	100%
(A) ALLOCATED 2002 1/3 MARR REVENUE (Total in Cell G30 above)	$ -	$ -	$ -
(B) RETAIL KW	0		
(C) NUMBER OF CUSTOMERS		-	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 2 and the total new Service Charge appears on the Rate Schedule on Sheet 4)		#DIV/0!	

Large User Class

Enter Your approved Variable Charge/Fixed Charge Split from your approved 2001 RUD Model for this class:

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	TOTAL 2002 ALLOCATED DISTRIBUTION REVENUE
	Percentage	Percentage	
	0.700	0.300	100%
(A) ALLOCATED 2002 1/3 MARR REVENUE (Total in Cell G31 above)	$ 32,251.46	$ 13,822.06	$ 46,073.52
(B) RETAIL KW	175,635		
(C) NUMBER OF CUSTOMERS		2	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.183628		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 2 and the total new Service Charge appears on the Rate Schedule on Sheet 4)		$575.9190	

Sentinel Lighting Class

Enter Your approved Variable Charge/Fixed Charge Split from your approved 2001 RUD Model for this class:

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	TOTAL 2002 ALLOCATED DISTRIBUTION REVENUE
	Percentage	Percentage	
	0.700	0.300	100%
(A) ALLOCATED 2002 1/3 MARR REVENUE (Total in Cell G32 above)	$ 60.43	$ 25.90	$ 86.33
(B) RETAIL KW	43		
(C) NUMBER OF CUSTOMERS (Connections)		13	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$1.405301		

(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 $0.1660
(this amount is added to the Service Charge shown on Sheet 2 and
the total new Service Charge appears on the Rate Schedule on Sheet 4)

Streetlighting Class

Enter Your approved Variable Charge/Fixed Charge Split from your approved 2001 RUD Model for this class:

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	TOTAL 2002 ALLOCATED DISTRIBUTION REVENUE
	Percentage	Percentage	
	0.700	0.300	100%
(A) ALLOCATED 2002 1/3 MARR REVENUE (Total in Cell G33 above)	$ 8,803.02	$ 3,772.72	$ 12,575.75
(B) RETAIL KW	19,368		
(C) NUMBER OF CUSTOMERS		10,943	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.454514		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 2 and the total new Service Charge appears on the Rate Schedule on Sheet 4)		$0.0287	

SHEET 4 - 2002 Base Rate Schedule including 2002 1/3 Incremental MARR Adjustment

NAME OF UTILITY	Waterloo North Hydro Inc.	**LICENCE NUMBER**	ED-1999-0131
NAME OF CONTACT	Duc Le	**PHONE NUMBER**	519-886-5090 ext. 210
E- Mail Address	dle@wnhydro.on.ca		
VERSION NUMBER	0		
Date	25-Jan-02		

This schedule includes the 2002 distribution rates which have been adjusted for the IPI - PF 2nd year PBR rate adjustment and the addition of the 2nd Installment of 1/3 Incremental MARR.

This is the **Base Rate Schedule** which will be used as the base for the March 1, 2003 PBR Rate Adjustment.

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.0074
MONTHLY SERVICE CHARGE (Per Customer)	$12.86
COST OF POWER KWH RATE	$0.0736

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	$0.0007			
MONTHLY SERVICE CHARGE (Per Customer)	$1.24			
COST OF POWER TIME OF USE RATES	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.0065
MONTHLY SERVICE CHARGE (Per Customer)	$27.26
COST OF POWER KWH RATE	$0.0728

GENERAL SERVICE < 50 KW (TIME OF USE)

DISTRIBUTION KWH RATE	$0.0006			
MONTHLY SERVICE CHARGE (Per Customer)	$2.63			
COST OF POWER TIME OF USE RATES	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$2.5283
MONTHLY SERVICE CHARGE (Per Customer)	$165.87
COST OF POWER KW RATE	$6.0500
COST OF POWER KWH RATE	$0.0528

GENERAL SERVICE > 50 KW (TIME OF USE)

DISTRIBUTION KW RATE	#DIV/0!

MONTHLY SERVICE CHARGE (Per Customer) #DIV/0!

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE INTERMEDIATE USE

DISTRIBUTION KW RATE #DIV/0!

MONTHLY SERVICE CHARGE (Per Customer) #DIV/0!

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000

LARGE USE

DISTRIBUTION KW RATE $1.904488

MONTHLY SERVICE CHARGE (Per Customer) $5,967.95

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$10.6300	$7.7300	$0.0689	$0.0412	$0.0582	$0.0306

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE $14.5590

MONTHLY SERVICE CHARGE (Per Connection) $1.72

COST OF POWER KW RATE $13.4100

OR

SENTINEL LIGHTS (TIME OF USE)

DISTRIBUTION KW RATE $1.4053

MONTHLY SERVICE CHARGE (Per Connection) $0.17

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK
	$/KW	$/KW
	$0.0000	$0.0000

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE $4.7072

MONTHLY SERVICE CHARGE (Per Connection) $0.30

COST OF POWER KW RATE $22.6600

OR

STREET LIGHTING (TIME OF USE)

DISTRIBUTION KW RATE $0.4545

MONTHLY SERVICE CHARGE (Per Connection) $0.03

COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK
	$/KW	$/KW
	$0.0000	$0.0000

SHEET 5 - Bill Impact Analysis for 2002 Rate Schedule including IPI-PF & 2002 1/3 Incremental MARR Adjustment

NAME OF UTILITY	Waterloo North Hydro Inc.	**LICENCE NUMBER**	ED-1999-0131
NAME OF CONTACT	Duc Le	**PHONE NUMBER**	519-886-5090 ext. 210
E- Mail Address	dle@wnhydro.on.ca		
VERSION NUMBER	0		
Date	25-Jan-02		

This schedule shows the bill impactsusing the 2002 Base Rate Schedule which includes
the IPI - PF 2nd year PBR rate adjustment and the addition of the 2nd Installment of 1/3 Incremental MARR.

BILL IMPACT ANALYSIS: Current Bill vs. 2002 Base Rate Schedule (including IPI-PF & 1/3 Incremental MARR)

RESIDENTIAL CLASS

NON-TIME OF USE

ENTER DESIRED CONSUMPTION LEVEL		CURRENT 2001 BILL				2002 BILL (IPI-PF & 2nd Installment 1/3 Incremental MARR)					
		KWH (enter)	RATE $/KWH	CHARGE $		KWH	RATE $/KWH	CHARGE $		IMPACT DOLLARS	IMPACT %
100 kWh	MONTHLY SERVICE CHARGE	n/a	n/a	$	11.75	n/a	n/a	$	12.86		
	DISTRIBUTION KWH	100	0.0068	$	0.68	100	0.00744	$	0.74		
	COST OF POWER KWH	100	0.0736	$	7.36	100	0.0736	$	7.36		
	CURRENT 2001 BILL			$	19.79	Adjusted 2002 BILL		$	20.96	$ 1.18	5.9%
250 kWh	MONTHLY SERVICE CHARGE	n/a	n/a	$	11.75	n/a	n/a	$	12.86		
	DISTRIBUTION KWH	250	0.0068	$	1.70	250	0.00744	$	1.86		
	COST OF POWER KWH	250	0.0736	$	18.39	250	0.0736	$	18.39		
	CURRENT 2001 BILL			$	31.84	Adjusted 2002 BILL		$	33.11	$ 1.27	4.0%
500 kWh	MONTHLY SERVICE CHARGE	n/a	n/a	$	11.75	n/a	n/a	$	12.86		
	DISTRIBUTION KWH	500	0.0068	$	3.40	500	0.00744	$	3.72		
	COST OF POWER KWH	500	0.0736	$	36.78	500	0.0736	$	36.78		
	CURRENT 2001 BILL			$	51.93	Adjusted 2002 BILL		$	53.36	$ 1.43	2.8%
750 kWh	MONTHLY SERVICE CHARGE	n/a	n/a	$	11.75	n/a	n/a	$	12.86		
	DISTRIBUTION KWH	750	0.0068	$	5.10	750	0.00744	$	5.58		
	COST OF POWER KWH	750	0.0736	$	55.16	750	0.0736	$	55.16		
	CURRENT 2001 BILL			$	72.01	Adjusted 2002 BILL		$	73.60	$ 1.59	2.2%
1000 kWh	MONTHLY SERVICE CHARGE	n/a	n/a	$	11.75	n/a	n/a	$	12.86		
	DISTRIBUTION KWH	1000	0.0068	$	6.80	1000	0.00744	$	7.44		
	COST OF POWER KWH	1000	0.0736	$	73.55	1000	0.0736	$	73.55		
	CURRENT 2001 BILL			$	92.10	Adjusted 2002 BILL		$	93.85	$ 1.75	1.9%
1500 kWh	MONTHLY SERVICE CHARGE	n/a	n/a	$	11.75	n/a	n/a	$	12.86		
	DISTRIBUTION KWH	1500	0.0068	$	10.20	1500	0.00744	$	11.16		

	COST OF POWER KWH	1500	0.0736	$	110.33	COST OF POWER KWH	1500	0.0736	$	110.33		
	CURRENT 2001 BILL			$	132.28	Adjusted 2002 BILL			$	134.34	$ 2.07	1.6%
MONTHLY CONSUMPTION OF 2000 kWh		**KWH (enter)**	**RATE $/KWH**	**CHARGE $**			**KWH**	**RATE $/KWH**	**CHARGE $**		**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$	11.75	MONTHLY SERVICE CHARGE	n/a	n/a	$	12.86		
	DISTRIBUTION KWH	2000	0.0068	$	13.60	DISTRIBUTION KWH	2000	0.00744	$	14.88		
	COST OF POWER KWH	2000	0.0736	$	147.10	COST OF POWER KWH	2000	0.0736	$	147.10		
	CURRENT 2001 BILL			$	172.45	Adjusted 2002 BILL			$	174.84	$ 2.39	1.4%

GENERAL SERVICE < 50 KW

	CURRENT 2001 BILL					**2002 BILL (IPI-PF & 2nd Installment 1/3 Incremental MARR)**						
ENTER DESIRED CONSUMPTION LEVEL												
1000 kWh		**KWH (enter)**	**RATE $/KWH**	**CHARGE $**			**KWH**	**RATE $/KWH**	**CHARGE $**		**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$	24.90	MONTHLY SERVICE CHARGE	n/a	n/a	$	27.26		
	DISTRIBUTION KWH	1000	0.0059	$	5.90	DISTRIBUTION KWH	1000	0.00645	$	6.45		
	COST OF POWER KWH	1000	0.0728	$	72.75	COST OF POWER KWH	1000	0.0728	$	72.75		
	CURRENT 2001 BILL			$	103.55	Adjusted 2002 BILL			$	106.46	$ 2.91	2.8%
MONTHLY CONSUMPTION 2000 kWh		**KWH (enter)**	**RATE $/KWH**	**CHARGE $**			**KWH**	**RATE $/KWH**	**CHARGE $**		**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$	24.90	MONTHLY SERVICE CHARGE	n/a	n/a	$	27.26		
	DISTRIBUTION KWH	2000	0.0059	$	11.80	DISTRIBUTION KWH	2000	0.00645	$	12.91		
	COST OF POWER KWH	2000	0.0728	$	145.50	COST OF POWER KWH	2000	0.0728	$	145.50		
	CURRENT 2001 BILL			$	182.20	Adjusted 2002 BILL			$	185.67	$ 3.47	1.9%
MONTHLY CONSUMPTION 5000 kWh		**KWH (enter)**	**RATE $/KWH**	**CHARGE $**			**KWH**	**RATE $/KWH**	**CHARGE $**		**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$	24.90	MONTHLY SERVICE CHARGE	n/a	n/a	$	27.26		
	DISTRIBUTION KWH	5000	0.0059	$	29.50	DISTRIBUTION KWH	5000	0.00645	$	32.27		
	COST OF POWER KWH	5000	0.0728	$	363.75	COST OF POWER KWH	5000	0.0728	$	363.75		
	CURRENT 2001 BILL			$	418.15	Adjusted 2002 BILL			$	423.28	$ 5.13	1.2%
MONTHLY CONSUMPTION 10,000 kWh		**KWH (enter)**	**RATE $/KWH**	**CHARGE $**			**KWH**	**RATE $/KWH**	**CHARGE $**		**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$	24.90	MONTHLY SERVICE CHARGE	n/a	n/a	$	27.26		
	DISTRIBUTION KWH	10000	0.0059	$	59.00	DISTRIBUTION KWH	10000	0.00645	$	64.55		
	COST OF POWER KWH	10000	0.0728	$	727.50	COST OF POWER KWH	10000	0.0728	$	727.50		
	CURRENT 2001 BILL			$	811.40	Adjusted 2002 BILL			$	819.30	$ 7.90	1.0%
MONTHLY CONSUMPTION 20,000 KWh		**KWH (enter)**	**RATE $/KWH**	**CHARGE $**			**KWH**	**RATE $/KWH**	**CHARGE $**		**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$	24.90	MONTHLY SERVICE CHARGE	n/a	n/a	$	27.26		
	DISTRIBUTION KWH	20000	0.0059	$	118.00	DISTRIBUTION KWH	20000	0.00645	$	129.09		
	COST OF POWER KWH	20000	0.0728	$	1,455.00	COST OF POWER KWH	20000	0.0728	$	1,455.00		
	CURRENT 2001 BILL			$	1,597.90	Adjusted 2002 BILL			$	1,611.35	$ 13.45	0.8%

GENERAL SERVICE > 50 KW NON TIME OF USE

	CURRENT 2001 BILL					**2002 BILL (IPI-PF & 2nd Installment 1/3 Incremental MARR)**						
ENTER DESIRED CONSUMPTION LEVEL												

		KW (enter)	RATE $/KW	CHARGE $			KW	RATE $/KW	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$	151.53	MONTHLY SERVICE CHARGE	n/a	n/a	$ 165.87		
	DISTRIBUTION KW	0	2.3100	$	-	DISTRIBUTION KW	0	2.52825	$ -		
	COST OF POWER KW	0	6.0500	$	-	COST OF POWER KW	0	6.0500	$ -		
	COST OF POWER **KWH**	0	0.0528	$	-	COST OF POWER **KWH**	0	0.0528	$ -		
	CURRENT 2001 BILL			$	151.53	Adjusted 2002 BILL			$ 165.87	$ 14.34	9.5%

MONTHLY CONSUMPTION 100kW, 30,000kWh		KW (enter)	RATE $/KW	CHARGE $			KW	RATE $/KW	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$	151.53	MONTHLY SERVICE CHARGE	n/a	n/a	$ 165.87		
	DISTRIBUTION KW	100	2.3100	$	231.00	DISTRIBUTION KW	100	2.52825	$ 252.83		
	COST OF POWER KW	100	6.0500	$	605.00	COST OF POWER KW	100	6.0500	$ 605.00		
	COST OF POWER **KWH**	30,000	0.0528	$	1,582.50	COST OF POWER **KWH**	30,000	0.0528	$ 1,582.50		
	CURRENT 2001 BILL			$	2,570.03	Adjusted 2002 BILL			$ 2,606.19	$ 36.16	1.4%

MONTHLY CONSUMPTION 100kW, 40,000kWh		KW (enter)	RATE $/KW	CHARGE $			KW	RATE $/KW	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$	151.53	MONTHLY SERVICE CHARGE	n/a	n/a	$ 165.87		
	DISTRIBUTION KW	100	2.3100	$	231.00	DISTRIBUTION KW	100	2.52825	$ 252.83		
	COST OF POWER KW	100	6.0500	$	605.00	COST OF POWER KW	100	6.0500	$ 605.00		
	COST OF POWER **KWH**	40,000	0.0528	$	2,110.00	COST OF POWER **KWH**	40,000	0.0528	$ 2,110.00		
	CURRENT 2001 BILL			$	3,097.53	Adjusted 2002 BILL			$ 3,133.69	$ 36.16	1.2%

MONTHLY CONSUMPTION 500kW, 100,000kWh		KW (enter)	RATE $/KW	CHARGE $			KW	RATE $/KW	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$	151.53	MONTHLY SERVICE CHARGE	n/a	n/a	$ 165.87		
	DISTRIBUTION KW	500	2.3100	$	1,155.00	DISTRIBUTION KW	500	2.52825	$ 1,264.13		
	COST OF POWER KW	500	6.0500	$	3,025.00	COST OF POWER KW	500	6.0500	$ 3,025.00		
	COST OF POWER **KWH**	100,000	0.0528	$	5,275.00	COST OF POWER **KWH**	100,000	0.0528	$ 5,275.00		
	CURRENT 2001 BILL			$	9,606.53	Adjusted 2002 BILL			$ 9,730.00	$ 123.47	1.3%

MONTHLY CONSUMPTION 500kW, 250,000kWh		KW (enter)	RATE $/KW	CHARGE $			KW	RATE $/KW	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$	151.53	MONTHLY SERVICE CHARGE	n/a	n/a	$ 165.87		
	DISTRIBUTION KW	500	2.3100	$	1,155.00	DISTRIBUTION KW	500	2.52825	$ 1,264.13		
	COST OF POWER KW	500	6.0500	$	3,025.00	COST OF POWER KW	500	6.0500	$ 3,025.00		
	COST OF POWER **KWH**	250,000	0.0528	$	13,187.50	COST OF POWER **KWH**	250,000	0.0528	$ 13,187.50		
	CURRENT 2001 BILL			$	17,519.03	Adjusted 2002 BILL			$ 17,642.50	$ 123.47	0.7%

MONTHLY CONSUMPTION 1000kW, 400,000kWh		KW (enter)	RATE $/KW	CHARGE $			KW	RATE $/KW	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$	151.53	MONTHLY SERVICE CHARGE	n/a	n/a	$ 165.87		
	DISTRIBUTION KW	1000	2.3100	$	2,310.00	DISTRIBUTION KW	1000	2.52825	$ 2,528.25		
	COST OF POWER KW	1000	6.0500	$	6,050.00	COST OF POWER KW	1000	6.0500	$ 6,050.00		
	COST OF POWER **KWH**	400,000	0.0528	$	21,100.00	COST OF POWER **KWH**	400,000	0.0528	$ 21,100.00		
	CURRENT 2001 BILL			$	29,611.53	Adjusted 2002 BILL			$ 29,844.12	$ 232.59	0.8%

MONTHLY CONSUMPTION 1000kW, 500,000kWh		KW (enter)	RATE $/KW	CHARGE $			KW	RATE $/KW	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$	151.53	MONTHLY SERVICE CHARGE	n/a	n/a	$ 165.87		
	DISTRIBUTION KW	1000	2.3100	$	2,310.00	DISTRIBUTION KW	1000	2.52825	$ 2,528.25		
	COST OF POWER KW	1000	6.0500	$	6,050.00	COST OF POWER KW	1000	6.0500	$ 6,050.00		
	COST OF POWER **KWH**	500,000	0.0528	$	26,375.00	COST OF POWER **KWH**	500,000	0.0528	$ 26,375.00		

	CURRENT 2001 BILL			$ 34,886.53	Adjusted 2002 BILL			$ 35,119.12	$ 232.59	0.7%

MONTHLY CONSUMPTION 3,000kW, 1,000,000kWh		KW (enter)	RATE $/KW	CHARGE $		KW	RATE $/KW	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 151.53	MONTHLY SERVICE CHARGE	n/a	n/a	$ 165.87		
	DISTRIBUTION KW	3000	2.3100	$ 6,930.00	DISTRIBUTION KW	3000	2.52825	$ 7,584.76		
	COST OF POWER KW	3000	6.0500	$ 18,150.00	COST OF POWER KW	3000	6.0500	$ 18,150.00		
	COST OF POWER **KWH**	1,000,000	0.0528	$ 52,750.00	COST OF POWER **KWH**	#######	0.0528	$ 52,750.00		
	CURRENT 2001 BILL			$ 77,981.53	Adjusted 2002 BILL			$ 78,650.63	$ 669.10	0.9%

MONTHLY CONSUMPTION 3,000kW, 1,500,000kWh		KW (enter)	RATE $/KW	CHARGE $		KW	RATE $/KW	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 151.53	MONTHLY SERVICE CHARGE	n/a	n/a	$ 165.87		
	DISTRIBUTION KW	3000	2.3100	$ 6,930.00	DISTRIBUTION KW	3000	2.52825	$ 7,584.76		
	COST OF POWER KW	3000	6.0500	$ 18,150.00	COST OF POWER KW	3000	6.0500	$ 18,150.00		
	COST OF POWER **KWH**	1,500,000	0.0528	$ 79,125.00	COST OF POWER **KWH**	#######	0.0528	$ 79,125.00		
	CURRENT 2001 BILL			$ 104,356.53	Adjusted 2002 BILL			$ 105,025.63	$ 669.10	0.6%

MONTHLY CONSUMPTION 4,000kW, 1,200,000kWh		KW (enter)	RATE $/KW	CHARGE $		KW	RATE $/KW	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 151.53	MONTHLY SERVICE CHARGE	n/a	n/a	$ 165.87		
	DISTRIBUTION KW	4000	2.3100	$ 9,240.00	DISTRIBUTION KW	4000	2.52825	$ 10,113.01		
	COST OF POWER KW	4000	6.0500	$ 24,200.00	COST OF POWER KW	4000	6.0500	$ 24,200.00		
	COST OF POWER **KWH**	1,200,000	0.0528	$ 63,300.00	COST OF POWER **KWH**	#######	0.0528	$ 63,300.00		
	CURRENT 2001 BILL			$ 96,891.53	Adjusted 2002 BILL			$ 97,778.88	$ 887.35	0.9%

MONTHLY CONSUMPTION 4,000kW, 1,800,000kWh		KW (enter)	RATE $/KW	CHARGE $		KW	RATE $/KW	CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 151.53	MONTHLY SERVICE CHARGE	n/a	n/a	$ 165.87		
	DISTRIBUTION KW	4000	2.3100	$ 9,240.00	DISTRIBUTION KW	4000	2.52825	$ 10,113.01		
	COST OF POWER KW	4000	6.0500	$ 24,200.00	COST OF POWER KW	4000	6.0500	$ 24,200.00		
	COST OF POWER **KWH**	1,800,000	0.0528	$ 94,950.00	COST OF POWER **KWH**	#######	0.0528	$ 94,950.00		
	CURRENT 2001 BILL			$ 128,541.53	Adjusted 2002 BILL			$ 129,428.88	$ 887.35	0.7%

GENERAL SERVICE >50 KW TIME OF USE

	CURRENT 2001 BILL	**2002 BILL (IPI-PF & 2nd Installment 1/3 Incremental MARR)**

ENTER DESIRED CONSUMPTION LEVELS
100kW, 40,000kWh

WINTER

		KW	RATE $/kW	CHARGE $		KW	RATE $/kW	CHARGE $	IMPACT DOLLARS	IMPACT %
	DISTRIBUTION kW	100	0.0000	$ -	DISTRIBUTION kW	100	#DIV/0!	#DIV/0!		
	kW COST OF POWER Demand Charge	100	0.0000	$ -	kW COST OF POWER Demand Charge	100	0.0000	$ -		
			RATE				**RATE**			
	COST OF POWER	**kWh**	**$/kWh**		COST OF POWER	**kWh**	**$/kWh**			
	WINTER PEAK	20,000	0.0000	$ -	WINTER PEAK	20,000	0.0000	$ -		
	WINTER OFF PEAK	20,000	0.0000	$ -	WINTER OFF PEAK	20,000	0.0000	$ -		
	MONTHLY SERVICE CHARGE			$ -	MONTHLY SERVICE CHARGE			#DIV/0!		
	TOTAL			$ -	**TOTAL**			#DIV/0!	#DIV/0!	#DIV/0!

SUMMER

		KW	RATE $/kW	CHARGE $		KW	RATE $/kW	CHARGE $	IMPACT DOLLARS	IMPACT %
	DISTRIBUTION kW	100	0.0000	$ -	DISTRIBUTION kW	100	#DIV/0!	#DIV/0!		
	kW COST OF POWER Demand Charge	100	0.0000	$ -	kW COST OF POWER Demand Charge	100	0.0000	$ -		
			RATE				**RATE**			
	COST OF POWER	**kWh**	**$/kWh**		COST OF POWER	**kWh**	**$/kWh**			
	SUMMER PEAK	20,000	0.0000	$ -	SUMMER PEAK	20,000	0.0000	$ -		
	SUMMER OFF PEAK	20,000	0.0000	$ -	SUMMER OFF PEAK	20,000	0.0000	$ -		
	MONTHLY SERVICE CHARGE			$ -	MONTHLY SERVICE CHARGE			#DIV/0!		

TOTAL			$ -	**TOTAL**		#DIV/0!	#DIV/0!	#DIV/0!

GENERAL SERVICE - INTERMEDIATE USE

ENTER DESIRED CONSUMPTION LEVELS
4000kW, 1,200,000kWh

WINTER

	KW	RATE $/kW	CHARGE $		KW	RATE $/kW	CHARGE $	IMPACT DOLLARS	IMPACT %
DISTRIBUTION				DISTRIBUTION					
kW	4000	0.0000	$ -	kW	4000	#DIV/0!	#DIV/0!		
kW COST OF POWER				kW COST OF POWER					
Demand Charge	4000	0.0000	$ -	Demand Charge	4000	0.0000	$ -		
		RATE				**RATE**			
COST OF POWER	**kWh**	**$/kWh**		COST OF POWER	**kWh**	**$/kWh**			
WINTER PEAK	600,000	0.0000	$ -	WINTER PEAK	600,000	0.0000	$ -		
WINTER OFF PEAK	600,000	0.0000	$ -	WINTER OFF PEAK	600,000	0.0000	$ -		
MONTHLY SERVICE CHARGE			$ -	MONTHLY SERVICE CHARGE			#DIV/0!		
TOTAL			$ -	**TOTAL**			#DIV/0!	#DIV/0!	#DIV/0!

SUMMER

	KW	RATE $/kW	CHARGE $		KW	RATE $/kW	CHARGE $	IMPACT DOLLARS	IMPACT %
DISTRIBUTION				DISTRIBUTION					
kW	4000	0.0000	$ -	kW	4000	#DIV/0!	#DIV/0!		
kW COST OF POWER				kW COST OF POWER					
Demand Charge	4000	0.0000	$ -	Demand Charge	4000	0.0000	$ -		
		RATE				**RATE**			
COST OF POWER	**kWh**	**$/kWh**		COST OF POWER	**kWh**	**$/kWh**			
SUMMER PEAK	600,000	0.0000	$ -	SUMMER PEAK	600,000	0.0000	$ -		
SUMMER OFF PEAK	600,000	0.0000	$ -	SUMMER OFF PEAK	600,000	0.0000	$ -		
MONTHLY SERVICE CHARGE			$ -	MONTHLY SERVICE CHARGE			#DIV/0!		
TOTAL			$ -	**TOTAL**			#DIV/0!	#DIV/0!	#DIV/0!

LARGE USE

ENTER DESIRED CONSUMPTION LEVELS
6000kW, 3,000,000kWh

WINTER

	KW	RATE $/kW	CHARGE $		KW	RATE $/kW	CHARGE $	IMPACT DOLLARS	IMPACT %
DISTRIBUTION				DISTRIBUTION					
kW	6000	1.7400	$ 10,440.00	kW	6000	1.9045	$ 11,426.93		
kW COST OF POWER				kW COST OF POWER					
Demand Charge	6000	10.6300	$ 63,780.00	Demand Charge	6000	10.6300	$ 63,780.00		
		RATE				**RATE**			
COST OF POWER	**kWh**	**$/kWh**		COST OF POWER	**kWh**	**$/kWh**			
WINTER PEAK	1,500,000	0.0689	$ 103,275.00	WINTER PEAK	#######	0.0689	$ 103,275.00		
WINTER OFF PEAK	1,500,000	0.0412	$ 61,725.00	WINTER OFF PEAK	1,500,000	0.0412	$ 61,725.00		
MONTHLY SERVICE CHARGE			$ 5,452.00	MONTHLY SERVICE CHARGE			$ 5,967.95		
TOTAL			$ 244,672.00	**TOTAL**			$ 246,174.87	$ 1,502.87	0.6%

SUMMER

	KW	RATE $/kW	CHARGE $		KW	RATE $/kW	CHARGE $	IMPACT DOLLARS	IMPACT %
DISTRIBUTION				DISTRIBUTION					
kW	6000	1.7400	$ 10,440.00	kW	6000	1.9045	$ 11,426.93		
kW COST OF POWER				kW COST OF POWER					
Demand Charge	6000	7.7300	$ 46,380.00	Demand Charge	6000	7.7300	$ 46,380.00		
		RATE				**RATE**			
COST OF POWER	**kWh**	**$/kWh**		COST OF POWER	**kWh**	**$/kWh**			
SUMMER PEAK	1,500,000	0.0582	$ 87,225.00	SUMMER PEAK	#######	0.0582	$ 87,225.00		
SUMMER OFF PEAK	1,500,000	0.0306	$ 45,825.00	SUMMER OFF PEAK	1,500,000	0.0306	$ 45,825.00		
MONTHLY SERVICE CHARGE			$ 5,452.00	MONTHLY SERVICE CHARGE			$ 5,967.95		
TOTAL			$ 195,322.00	**TOTAL**			$ 196,824.87	$ 1,502.87	0.8%

SHEET 6 - 2001 PILs Deferral Account Estimate Adder Calculation

NAME OF UTILITY	Waterloo North Hydro Inc.	**LICENCE NUMBER**	ED-1999-0131
NAME OF CONTACT	Duc Le	**PHONE NUMBER**	519-886-5090 ext. 210
E- Mail Address	dle@wnhydro.on.ca		
VERSION NUMBER	0		
Date	25-Jan-02		

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

Enter the Estimated Value for the 2001 PILs Defferal Account. $ 1,013,161.00

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

2001 Statistics by Class	kW	kWh	Number of Customers	Distribution Revenues	2001 Revenue Shares	2001 PILs Deferral Allocations
RESIDENTIAL CLASS	-	366,986,871	37,085	$7,245,681.00	49.64%	$ 502,950.26
GENERAL SERVICE <50 KW CLASS	-	170,850,508	5,231	$2,406,414.00	16.49%	$ 167,038.34
GENERAL SERVICE >50 KW NON TIME OF USE	1,427,805	-	786	$4,409,933.00	30.21%	$ 306,110.21
GENERAL SERVICE >50 KW TIME OF USE	0	-	0		0.00%	$ -
INTERMEDIATE USE	0	-	0		0.00%	$ -
LARGE USER CLASS	185,568	-	2	$425,130.00	2.91%	$ 29,509.89
SENTINEL LIGHTS	43	-	13	$764.00	0.01%	$ 53.03
STREET LIGHTING CLASS	18,633	-	11,286	$108,037.00	0.74%	$ 7,499.26
TOTALS				$14,595,959.00	1.00	1,013,161.00
						$ 1,013,161.00

Residential Class

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

		VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2001 PILs Estimate REVENUE
		0.315	0.685	100%
(A) ALLOCATED 2001 PILs Estimate (Total in Cell G26 above)		$ 158,429.33	$ 344,520.93	$ 502,950.26
(B) RETAIL KWH	366,986,871			
(C) NUMBER OF CUSTOMERS			37,085	
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 4 and the total new rate appears on the Rate Schedule on Sheet 7)	$0.000432			
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 4 and the total new Service Charge appears on the Rate Schedule on Sheet 7)			$0.7742	

General Service <50kW Class

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

VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2001 PILs Estimate REVENUE
0.400	0.600	100%

(A) ALLOCATED 2001 PILs Estimate (Total in Cell G27 above)	$ 66,815.34	$ 100,223.01	$ 167,038.34
(B) RETAIL KWH	170,850,508		
(C) NUMBER OF CUSTOMERS		5,231	
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 4 and the total new rate appears on the Rate Schedule on Sheet 7)	$0.000391		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 4 and the total new Service Charge appears on the Rate Schedule on Sheet 7)		$1.5966	

General Service >50kW Class Non TOU

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

VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2001 PILs Estimate REVENUE
0.700	0.300	100%

(A) ALLOCATED 2001 PILs Estimate (Total in Cell G28 above)	$ 214,277.15	$ 91,833.06	$ 306,110.21
(B) RETAIL KW	1,427,805		
(C) NUMBER OF CUSTOMERS		786	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 4 and the total new rate appears on the Rate Schedule on Sheet 7)	$0.150075		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 4 and the total new Service Charge appears on the Rate Schedule on Sheet 7)		$9.7363	

General Service >50kW ClassTOU

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

VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2001 PILs Estimate REVENUE
0.000	1.000	100%

(A) ALLOCATED 2001 PILs Estimate (Total in Cell G29 above)	$ -	$ -	$ -
(B) RETAIL KW	0		
(C) NUMBER OF CUSTOMERS		-	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 4 and the total new rate appears on the Rate Schedule on Sheet 7)	#DIV/0!		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 4 and the total new Service Charge appears on the Rate Schedule on Sheet 7)		#DIV/0!	

Intermediate Class

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

VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2001 PILs Estimate REVENUE
0.000	1.000	100%

(A) ALLOCATED 2001 PILs Estimate (Total in Cell G30 above)	$ -	$ -	$ -
(B) RETAIL KW	0		
(C) NUMBER OF CUSTOMERS		-	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 4 and the total new rate appears on the Rate Schedule on Sheet 7)	#DIV/0!		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 4 and the total new Service Charge appears on the Rate Schedule on Sheet 7)		#DIV/0!	

Large User Class

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

VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2001 PILs Estimate REVENUE
0.700	0.300	100%

(A) ALLOCATED 2001 PILs Estimate (Total in Cell G31 above)	$ 20,656.92	$ 8,852.97	$ 29,509.89
(B) RETAIL KW	185,568		
(C) NUMBER OF CUSTOMERS		2	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 4 and the total new rate appears on the Rate Schedule on Sheet 7)	$0.111317		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 4 and the total new Service Charge appears on the Rate Schedule on Sheet 7)		$368.8736	

Sentinel Lighting Class

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

VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2001 PILs Estimate REVENUE
0.700	0.300	100%

(A) ALLOCATED 2001 PILs Estimate (Total in Cell G32 above)	$ 37.12	$ 15.91	$ 53.03
(B) RETAIL KW	43		
(C) NUMBER OF CUSTOMERS		13	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 4 and the total new rate appears on the Rate Schedule on Sheet 7)	$0.863314		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 4 and the total new Service Charge appears on the Rate Schedule on Sheet 7)		$0.1020	

Streetlighting Class

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

VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2001 PILs Estimate REVENUE
0.700	0.300	100%

(A) ALLOCATED 2001 PILs Estimate (Total in Cell G33 above)	$ 5,249.48	$ 2,249.78	$ 7,499.26
(B) RETAIL KW	18,633		
(C) NUMBER OF CUSTOMERS (Connections)		11,286	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 4 and the total new rate appears on the Rate Schedule on Sheet 7)	$0.281730		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 4 and the total new Service Charge appears on the Rate Schedule on Sheet 7)		$0.0166	

SHEET 7 - 2002 Rate Schedule including 2001PILs Deferral Account Estimate Adder

NAME OF UTILITY	Waterloo North Hydro Inc.	**LICENCE NUMBER**	ED-1999-0131
NAME OF CONTACT	Duc Le	**PHONE NUMBER**	519-886-5090 ext. 210
E- Mail Address	dle@wnhydro.on.ca		
VERSION NUMBER	0		
Date	25-Jan-02		

This schedule includes the 2002 distribution rates which have been adjusted for the IPI - PF 2nd year PBR rate adjustment, the addition of the 2nd Installment of 1/3 Incremental MARR and 2001PILs Deferral Account Estimate Adder.

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.00787
MONTHLY SERVICE CHARGE (Per Customer)	$13.63608
COST OF POWER KWH RATE	$0.07355

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	$0.00115
MONTHLY SERVICE CHARGE (Per Customer)	$2.01533

COST OF POWER TIME OF USE RATES	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.00685
MONTHLY SERVICE CHARGE (Per Customer)	$28.85313
COST OF POWER KWH RATE	$0.072750

GENERAL SERVICE < 50 KW (TIME OF USE)

DISTRIBUTION KWH RATE	$0.00101
MONTHLY SERVICE CHARGE (Per Customer)	$4.22703

COST OF POWER TIME OF USE RATES	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$2.67833
MONTHLY SERVICE CHARGE (Per Customer)	$175.60595
COST OF POWER KW RATE	$6.050000
COST OF POWER KWH RATE	$0.052750

GENERAL SERVICE > 50 KW (TIME OF USE)

DISTRIBUTION KW RATE	#DIV/0!					
MONTHLY SERVICE CHARGE (Per Customer)	#DIV/0!					
COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE INTERMEDIATE USE

DISTRIBUTION KW RATE	#DIV/0!					
MONTHLY SERVICE CHARGE (Per Customer)	#DIV/0!					
COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000

LARGE USE

DISTRIBUTION KW RATE	$2.01581					
MONTHLY SERVICE CHARGE (Per Customer)	$6,336.82063					
COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$10.6300	$7.7300	$0.0689	$0.0412	$0.0582	$0.0306

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	$15.42232
MONTHLY SERVICE CHARGE (Per Connection)	$1.82073
COST OF POWER KW RATE	$13.4100

OR

SENTINEL LIGHTS (TIME OF USE)

DISTRIBUTION KW RATE	$2.26862		
MONTHLY SERVICE CHARGE (Per Connection)	$0.26800		
COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	
	$/KW	$/KW	
	$0.0000	$0.0000	

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	$4.98894
MONTHLY SERVICE CHARGE (Per Connection)	$0.31237
COST OF POWER KW RATE	$22.6600

OR

STREET LIGHTING (TIME OF USE)

DISTRIBUTION KW RATE	$0.73624	
MONTHLY SERVICE CHARGE (Per Connection)	$0.04534	
COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK
	$/KW	$/KW
	$0.0000	$0.0000

SHEET 8 - 2002 PILs Proxy Estimate Adder Calculation

NAME OF UTILITY	Waterloo North Hydro Inc.	**LICENCE NUMBER**	ED-1999-0131
NAME OF CONTACT	Duc Le	**PHONE NUMBER**	519-886-5090 ext. 210
E- Mail Address	dle@wnhydro.on.ca		
VERSION NUMBER	0		
Date	25-Jan-02		

This schedule allows LDCs to input the calculated value for the 2002 PILs Proxy Estimate. Use the methodolgy released by the Board on December 21, 2001.

Enter the Estimated Value for the 2002 PILs Proxy $ 3,370,434.00

The Table below uses your best estimate of the 2001 statistics for your LDC to allocate the 2002 PILs Proxy Estimate amount and to create the adders in each class. Ideally, these statistics should agree with those to be filed by your LDC as part of the PBR filing requirements.

When this data was added on Sheet 6, it will also appear in the table below.

2001 Statistics by Class	kW	kWh	Number of Customers	Distribution Revenues	2001 Revenue Shares	2002 PILs Estimate Allocations
RESIDENTIAL CLASS	-	366,986,871	37,085	$7,245,681.00	49.64%	$ 1,673,140.46
GENERAL SERVICE <50 KW CLASS	-	170,850,508	5,231	$2,406,414.00	16.49%	$ 555,678.43
GENERAL SERVICE >50 KW NON TIME OF USE	1,427,805	-	786	$4,409,933.00	30.21%	$ 1,018,322.13
GENERAL SERVICE >50 KW TIME OF USE	0	-	-	$0.00	0.00%	$ -
INTERMEDIATE USE	0	-	-	$0.00	0.00%	$ -
LARGE USER CLASS	185,568	-	2	$425,130.00	2.91%	$ 98,169.13
SENTINEL LIGHTS	43	-	13	$764.00	0.01%	$ 176.42
STREET LIGHTING CLASS	18,633	-	11,286	$108,037.00	0.74%	$ 24,947.42
TOTALS				$14,595,959.00	1.00	3,370,434.00
						$ 3,370,434.00

Residential Class

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2002 PILs Estimate REVENUE
	0.315	0.685	100%
(A) ALLOCATED 2002 PILs (Total in Cell G26 above)	$ 527,039.25	$ 1,146,101.22	$ 1,673,140.46
(B) RETAIL KWH	366,986,871		
(C) NUMBER OF CUSTOMERS		37,085	
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 7 and the total new rate appears on the Rate Schedule on Sheet 9)	$0.001436		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 7and the total new Service Charge appears on the Rate Schedule on Sheet 9)		$2.5754	

General Service <50kW Class

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2002 PILs Estimate REVENUE
	0.400	0.600	100%
(A) ALLOCATED 2002 PILs (Total in Cell G27 above)	$ 222,271.37	$ 333,407.06	$ 555,678.43
(B) RETAIL KWH	170,850,508		
(C) NUMBER OF CUSTOMERS		5,231	

(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B) $0.001301
(this amount is added to the kWh rate shown on Sheet 7 and
the total new rate appears on the Rate Schedule on Sheet 9)

(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 $5.3114
(this amount is added to the Service Charge shown on Sheet 7and
the total new Service Charge appears on the Rate Schedule on Sheet 9)

General Service >50kW Class Non TOU

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

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	ALLOCATED TOTAL 2002 PILs Estimate REVENUE
	Percentage	Percentage	
	0.700	0.300	100%
(A) ALLOCATED 2002 PILs (Total in Cell G28 above)	$ 712,825.49	$ 305,496.64	$ 1,018,322.13
(B) RETAIL KW	1,427,805		
(C) NUMBER OF CUSTOMERS		786	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 7 and the total new rate appears on the Rate Schedule on Sheet 9)	$0.499246		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 7and the total new Service Charge appears on the Rate Schedule on Sheet 9)		$32.3894	

General Service >50kW ClassTOU

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

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	ALLOCATED TOTAL 2002 PILs Estimate REVENUE
	Percentage	Percentage	
	0.000	1.000	100%
(A) ALLOCATED 2002 PILs (Total in Cell G29 above)	$ -	$ -	$ -
(B) RETAIL KW	0		
(C) NUMBER OF CUSTOMERS		-	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 7 and the total new rate appears on the Rate Schedule on Sheet 9)	#DIV/0!		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 7and the total new Service Charge appears on the Rate Schedule on Sheet 9)		#DIV/0!	

Intermediate Class

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

	VARIABLE CHARGE REVENUE	SERVICE CHARGE REVENUE	ALLOCATED TOTAL 2002 PILs Estimate REVENUE
	Percentage	Percentage	
	0.000	1.000	100%
(A) ALLOCATED 2002 PILs (Total in Cell G30 above)	$ -	$ -	$ -
(B) RETAIL KW	0		
(C) NUMBER OF CUSTOMERS		-	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 7 and the total new rate appears on the Rate Schedule on Sheet 9)	#DIV/0!		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 7and the total new Service Charge appears on the Rate Schedule on Sheet 9)		#DIV/0!	

Large User Class

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2002 PILs Estimate REVENUE
	0.700	0.300	100%
(A) ALLOCATED 2002 PILs (Total in Cell G31 above)	$ 68,718.39	$ 29,450.74	$ 98,169.13
(B) RETAIL KW	185,568		
(C) NUMBER OF CUSTOMERS		2	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 7 and the total new rate appears on the Rate Schedule on Sheet 9)	$0.370314		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 7and the total new Service Charge appears on the Rate Schedule on Sheet 9)		$1,227.1141	

Sentinel Lighting Class

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2002 PILs Estimate REVENUE
	0.700	0.300	100%
(A) ALLOCATED 2002 PILs (Total in Cell G32 above)	$ 123.49	$ 52.93	$ 176.42
(B) RETAIL KW	43		
(C) NUMBER OF CUSTOMERS		13	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 7 and the total new rate appears on the Rate Schedule on Sheet 9)	$2.871945		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 7and the total new Service Charge appears on the Rate Schedule on Sheet 9)		$0.3393	

Streetlighting Class

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED TOTAL 2002 PILs Estimate REVENUE
	0.700	0.300	100%
(A) ALLOCATED 2002 PILs (Total in Cell G33 above)	$ 17,463.20	$ 7,484.23	$ 24,947.42
(B) RETAIL KW	18,633		
(C) NUMBER OF CUSTOMERS (Connections)		11,286	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 7 and the total new rate appears on the Rate Schedule on Sheet 9)	$0.937219		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 7and the total new Service Charge appears on the Rate Schedule on Sheet 9)		$0.0553	

SHEET 9 - 2002 Rate Schedule including 2001 and 2002 PILs Estimate Adders

NAME OF UTILITY	Waterloo North Hydro Inc.	**LICENCE NUMBER**	ED-1999-0131
NAME OF CONTACT	Duc Le	**PHONE NUMBER**	519-886-5090 ext. 210
E- Mail Address	dle@wnhydro.on.ca		
VERSION NUMBER	0		
Date	25-Jan-02		

This schedule includes the 2002 distribution rates which have been adjusted for the IPI - PF 2nd year PBR rate adjustment, the 2nd Installment of 1/3 Incremental MARR, the 2001PILs Deferral Account Estimate Adder, and the 2002 PILs Estimate Adder.
If you are not applying to recover any Z-factors or transistion costs for March 1, 2002, this becomes your final 2002 Rate Schedule and will appear at Sheet 16.

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.00931
MONTHLY SERVICE CHARGE (Per Customer)	$16.21147
COST OF POWER KWH RATE	$0.07355

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	$0.00258
MONTHLY SERVICE CHARGE (Per Customer)	$4.59072

COST OF POWER TIME OF USE RATES	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.00815
MONTHLY SERVICE CHARGE (Per Customer)	$34.16453
COST OF POWER KWH RATE	$0.072750

GENERAL SERVICE < 50 KW (TIME OF USE)

DISTRIBUTION KWH RATE	$0.00231
MONTHLY SERVICE CHARGE (Per Customer)	$9.53843

COST OF POWER TIME OF USE RATES	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$3.17757
MONTHLY SERVICE CHARGE (Per Customer)	$207.99533
COST OF POWER KW RATE	$6.050000
COST OF POWER KWH RATE	$0.052750

GENERAL SERVICE > 50 KW (TIME OF USE)

DISTRIBUTION KW RATE	#DIV/0!					
MONTHLY SERVICE CHARGE (Per Customer)	#DIV/0!					
COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE INTERMEDIATE USE

DISTRIBUTION KW RATE	#DIV/0!					
MONTHLY SERVICE CHARGE (Per Customer)	#DIV/0!					
COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000

LARGE USE

DISTRIBUTION KW RATE	$2.38612					
MONTHLY SERVICE CHARGE (Per Customer)	$7,563.93476					
COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$10.6300	$7.7300	$0.0689	$0.0412	$0.0582	$0.0306

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	$18.29426
MONTHLY SERVICE CHARGE (Per Connection)	$2.15999
COST OF POWER KW RATE	$13.4100

OR

SENTINEL LIGHTS (TIME OF USE)

DISTRIBUTION KW RATE	$5.14056	
MONTHLY SERVICE CHARGE (Per Connection)	$0.60726	
COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK
	$/KW	$/KW
	$0.0000	$0.0000

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	$5.92616
MONTHLY SERVICE CHARGE (Per Connection)	$0.36763
COST OF POWER KW RATE	$22.6600

OR

STREET LIGHTING (TIME OF USE)

DISTRIBUTION KW RATE	$1.67346	
MONTHLY SERVICE CHARGE (Per Connection)	$0.10060	
COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK
	$/KW	$/KW
	$0.0000	$0.0000

SHEET 10 - Bill Impact Analysis for 2002 Rate Schedule after 2001 and 2002 PILs Adjustments

NAME OF UTILITY	Waterloo North Hydro Inc.	**LICENCE #**	ED-1999-0131
NAME OF CONTACT	Duc Le	**PHONE #**	519-886-5090 ext. 210
E- Mail Address	dle@wnhydro.on.ca		
VERSION NUMBER	0		
Date	25-Jan-02		

This schedule shows the bill impacts using the 2002 Rate Schedule which includes the IPI - PF 2nd year PBR rate adjustment, the addition of the 2nd Installment of 1/3 Incremental MARR, the 2001 PILs deferral account estimate and the 2002 PILs estimate.

BILL IMPACT ANALYSIS: Current Bill vs. 2002 Bill (including IPI-PF, 1/3 Incremental MARR, 2001 & 2002 PILs)

RESIDENTIAL CLASS

NON-TIME OF USE

ENTER DESIRED CONSUMPTION LEVEL		CURRENT 2001 BILL				2002 BILL (IPI-PF, 1/3 Incremental MARR, 2001 & 2002 PILs)					
		KWH (enter)	RATE $/KWH	CHARGE $		KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
100 kWh	MONTHLY SERVICE CHARGE	n/a	n/a	$	11.75	n/a	n/a	$ 16.21		
	DISTRIBUTION KWH	100	0.0068	$	0.68	100	0.00931	$ 0.93		
	COST OF POWER KWH	100	0.0736	$	7.36	100	0.0736	$ 7.36		
	CURRENT 2001 BILL			$	19.79	Adjusted 2002 BILL		$ 24.50	$ 4.71	23.8%
250 kWh	MONTHLY SERVICE CHARGE	n/a	n/a	$	11.75	n/a	n/a	$ 16.21		
	DISTRIBUTION KWH	250	0.0068	$	1.70	250	0.00931	$ 2.33		
	COST OF POWER KWH	250	0.0736	$	18.39	250	0.0736	$ 18.39		
	CURRENT 2001 BILL			$	31.84	Adjusted 2002 BILL		$ 36.93	$ 5.09	16.0%
500 kWh	MONTHLY SERVICE CHARGE	n/a	n/a	$	11.75	n/a	n/a	$ 16.21		
	DISTRIBUTION KWH	500	0.0068	$	3.40	500	0.00931	$ 4.65		
	COST OF POWER KWH	500	0.0736	$	36.78	500	0.0736	$ 36.78		
	CURRENT 2001 BILL			$	51.93	Adjusted 2002 BILL		$ 57.64	$ 5.71	11.0%
750 kWh	MONTHLY SERVICE CHARGE	n/a	n/a	$	11.75	n/a	n/a	$ 16.21		
	DISTRIBUTION KWH	750	0.0068	$	5.10	750	0.00931	$ 6.98		
	COST OF POWER KWH	750	0.0736	$	55.16	750	0.0736	$ 55.16		
	CURRENT 2001 BILL			$	72.01	Adjusted 2002 BILL		$ 78.35	$ 6.34	8.8%
1000 kWh	MONTHLY SERVICE CHARGE	n/a	n/a	$	11.75	n/a	n/a	$ 16.21		
	DISTRIBUTION KWH	1000	0.0068	$	6.80	1000	0.00931	$ 9.31		
	COST OF POWER KWH	1000	0.0736	$	73.55	1000	0.0736	$ 73.55		
	CURRENT 2001 BILL			$	92.10	Adjusted 2002 BILL		$ 99.07	$ 6.97	7.6%
1500 kWh	MONTHLY SERVICE CHARGE	n/a	n/a	$	11.75	n/a	n/a	$ 16.21		
	DISTRIBUTION KWH	1500	0.0068	$	10.20	1500	0.00931	$ 13.96		
	COST OF POWER KWH	1500	0.0736	$	110.33	1500	0.0736	$ 110.33		
	CURRENT 2001 BILL			$	132.28	Adjusted 2002 BILL		$ 140.50	$ 8.22	6.2%
2000 kWh	MONTHLY SERVICE CHARGE	n/a	n/a	$	11.75	n/a	n/a	$ 16.21		
	DISTRIBUTION KWH	2000	0.0068	$	13.60	2000	0.00931	$ 18.61		
	COST OF POWER KWH	2000	0.0736	$	147.10	2000	0.0736	$ 147.10		

	CURRENT 2001 BILL		$ 172.45	Adjusted 2002 BILL		$ 181.92	$ 9.47	5.5%		

GENERAL SERVICE < 50 KW

ENTER DESIRED CONSUMPTION LEVEL

1000 kWh	**CURRENT 2001 BILL**					**2002 BILL (IPI-PF, 1/3 Incremental MARR, 2001 & 2002 PILs)**						
	KWH (enter)	**RATE $/KWH**	**CHARGE $**			**KWH**	**RATE $/KWH**	**CHARGE $**		**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	24.90		MONTHLY SERVICE CHARGE	n/a	n/a	$	34.16		
DISTRIBUTION KWH	1000	0.0059	$	5.90		DISTRIBUTION KWH	1000	0.00815	$	8.15		
COST OF POWER KWH	1000	0.0728	$	72.75		COST OF POWER KWH	1000	0.0728	$	72.75		
CURRENT 2001 BILL			$	103.55		Adjusted 2002 BILL			$	115.06	$ 11.51	11.1%

MONTHLY CONSUMPTION 2000 kWh												
	KWH (enter)	**RATE $/KWH**	**CHARGE $**			**KWH**	**RATE $/KWH**	**CHARGE $**		**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	24.90		MONTHLY SERVICE CHARGE	n/a	n/a	$	34.16		
DISTRIBUTION KWH	2000	0.0059	$	11.80		DISTRIBUTION KWH	2000	0.00815	$	16.29		
COST OF POWER KWH	2000	0.0728	$	145.50		COST OF POWER KWH	2000	0.0728	$	145.50		
CURRENT 2001 BILL			$	182.20		Adjusted 2002 BILL			$	195.96	$ 13.76	7.6%

MONTHLY CONSUMPTION 5000 kWh												
	KWH (enter)	**RATE $/KWH**	**CHARGE $**			**KWH**	**RATE $/KWH**	**CHARGE $**		**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	24.90		MONTHLY SERVICE CHARGE	n/a	n/a	$	34.16		
DISTRIBUTION KWH	5000	0.0059	$	29.50		DISTRIBUTION KWH	5000	0.00815	$	40.73		
COST OF POWER KWH	5000	0.0728	$	363.75		COST OF POWER KWH	5000	0.0728	$	363.75		
CURRENT 2001 BILL			$	418.15		Adjusted 2002 BILL			$	438.65	$ 20.50	4.9%

MONTHLY CONSUMPTION 10,000 kWh												
	KWH (enter)	**RATE $/KWH**	**CHARGE $**			**KWH**	**RATE $/KWH**	**CHARGE $**		**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	24.90		MONTHLY SERVICE CHARGE	n/a	n/a	$	34.16		
DISTRIBUTION KWH	10000	0.0059	$	59.00		DISTRIBUTION KWH	10000	0.00815	$	81.47		
COST OF POWER KWH	10000	0.0728	$	727.50		COST OF POWER KWH	10000	0.0728	$	727.50		
CURRENT 2001 BILL			$	811.40		Adjusted 2002 BILL			$	843.13	$ 31.73	3.9%

MONTHLY CONSUMPTION 20,000 KWh												
	KWH (enter)	**RATE $/KWH**	**CHARGE $**			**KWH**	**RATE $/KWH**	**CHARGE $**		**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	24.90		MONTHLY SERVICE CHARGE	n/a	n/a	$	34.16		
DISTRIBUTION KWH	20000	0.0059	$	118.00		DISTRIBUTION KWH	20000	0.00815	$	162.93		
COST OF POWER KWH	20000	0.0728	$	1,455.00		COST OF POWER KWH	20000	0.0728	$	1,455.00		
CURRENT 2001 BILL			$	1,597.90		Adjusted 2002 BILL			$	1,652.10	$ 54.20	3.4%

GENERAL SERVICE > 50 KW NON TIME OF USE

ENTER DESIRED CONSUMPTION LEVEL

	CURRENT 2001 BILL					**2002 BILL (IPI-PF, 1/3 Incremental MARR, 2001 & 2002 PILs)**						
	KW (enter)	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**		**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	151.53		MONTHLY SERVICE CHARGE	n/a	n/a	$	208.00		
DISTRIBUTION KW	0	2.3100	$	-		DISTRIBUTION KW	0	3.17757	$	-		
COST OF POWER KW	0	6.0500	$	-		COST OF POWER KW	0	6.0500	$	-		
COST OF POWER **KWH**	0	0.0528	$	-		COST OF POWER **KWH**	0	0.0528	$	-		
CURRENT 2001 BILL			$	151.53		Adjusted 2002 BILL			$	208.00	$ 56.47	37.3%

MONTHLY CONSUMPTION 100kW, 30,000kWh												
	KW (enter)	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**		**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	151.53		MONTHLY SERVICE CHARGE	n/a	n/a	$	208.00		
DISTRIBUTION KW	100	2.3100	$	231.00		DISTRIBUTION KW	100	3.17757	$	317.76		
COST OF POWER KW	100	6.0500	$	605.00		COST OF POWER KW	100	6.0500	$	605.00		
COST OF POWER **KWH**	30,000	0.0528	$	1,582.50		COST OF POWER **KWH**	30,000	0.0528	$	1,582.50		
CURRENT 2001 BILL			$	2,570.03		Adjusted 2002 BILL			$	2,713.25	$ 143.22	5.6%

MONTHLY CONSUMPTION 100kW, 40,000kWh												
	KW (enter)	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**		**IMPACT DOLLARS**	**IMPACT %**

	MONTHLY SERVICE CHARGE	n/a		n/a	$	151.53		MONTHLY SERVICE CHARGE	n/a		n/a	$	208.00		
	DISTRIBUTION KW	100		2.3100	$	231.00		DISTRIBUTION KW	100		3.17757	$	317.76		
	COST OF POWER KW	100		6.0500	$	605.00		COST OF POWER KW	100		6.0500	$	605.00		
	COST OF POWER **KWH**	40,000		0.0528	$	2,110.00		COST OF POWER **KWH**	40,000		0.0528	$	2,110.00		
	CURRENT 2001 BILL				$	3,097.53		Adjusted 2002 BILL				$	3,240.75	$ 143.22	4.6%

MONTHLY CONSUMPTION 500kW, 100,000kWh		**KW (enter)**	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 151.53		MONTHLY SERVICE CHARGE	n/a	n/a	$ 208.00		
	DISTRIBUTION KW	500	2.3100	$ 1,155.00		DISTRIBUTION KW	500	3.17757	$ 1,588.79		
	COST OF POWER KW	500	6.0500	$ 3,025.00		COST OF POWER KW	500	6.0500	$ 3,025.00		
	COST OF POWER **KWH**	100,000	0.0528	$ 5,275.00		COST OF POWER **KWH**	100,000	0.0528	$ 5,275.00		
	CURRENT 2001 BILL			$ 9,606.53		Adjusted 2002 BILL			$ 10,096.78	$ 490.25	5.1%

MONTHLY CONSUMPTION 500kW, 250,000kWh		**KW (enter)**	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 151.53		MONTHLY SERVICE CHARGE	n/a	n/a	$ 208.00		
	DISTRIBUTION KW	500	2.3100	$ 1,155.00		DISTRIBUTION KW	500	3.17757	$ 1,588.79		
	COST OF POWER KW	500	6.0500	$ 3,025.00		COST OF POWER KW	500	6.0500	$ 3,025.00		
	COST OF POWER **KWH**	250,000	0.0528	$ 13,187.50		COST OF POWER **KWH**	250,000	0.0528	$ 13,187.50		
	CURRENT 2001 BILL			$ 17,519.03		Adjusted 2002 BILL			$ 18,009.28	$ 490.25	2.8%

MONTHLY CONSUMPTION 1000kW, 400,000kWh		**KW (enter)**	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 151.53		MONTHLY SERVICE CHARGE	n/a	n/a	$ 208.00		
	DISTRIBUTION KW	1000	2.3100	$ 2,310.00		DISTRIBUTION KW	1000	3.17757	$ 3,177.57		
	COST OF POWER KW	1000	6.0500	$ 6,050.00		COST OF POWER KW	1000	6.0500	$ 6,050.00		
	COST OF POWER **KWH**	400,000	0.0528	$ 21,100.00		COST OF POWER **KWH**	400,000	0.0528	$ 21,100.00		
	CURRENT 2001 BILL			$ 29,611.53		Adjusted 2002 BILL			$ 30,535.57	$ 924.04	3.1%

MONTHLY CONSUMPTION 1000kW, 500,000kWh		**KW (enter)**	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 151.53		MONTHLY SERVICE CHARGE	n/a	n/a	$ 208.00		
	DISTRIBUTION KW	1000	2.3100	$ 2,310.00		DISTRIBUTION KW	1000	3.17757	$ 3,177.57		
	COST OF POWER KW	1000	6.0500	$ 6,050.00		COST OF POWER KW	1000	6.0500	$ 6,050.00		
	COST OF POWER **KWH**	500,000	0.0528	$ 26,375.00		COST OF POWER **KWH**	500,000	0.0528	$ 26,375.00		
	CURRENT 2001 BILL			$ 34,886.53		Adjusted 2002 BILL			$ 35,810.57	$ 924.04	2.6%

MONTHLY CONSUMPTION 3,000kW, 1,000,000kWh		**KW (enter)**	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 151.53		MONTHLY SERVICE CHARGE	n/a	n/a	$ 208.00		
	DISTRIBUTION KW	3000	2.3100	$ 6,930.00		DISTRIBUTION KW	3000	3.17757	$ 9,532.72		
	COST OF POWER KW	3000	6.0500	$ 18,150.00		COST OF POWER KW	3000	6.0500	$ 18,150.00		
	COST OF POWER **KWH**	1,000,000	0.0528	$ 52,750.00		COST OF POWER **KWH**	1,000,000	0.0528	$ 52,750.00		
	CURRENT 2001 BILL			$ 77,981.53		Adjusted 2002 BILL			$ 80,640.72	$ 2,659.19	3.4%

MONTHLY CONSUMPTION 3,000kW, 1,500,000kWh		**KW (enter)**	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 151.53		MONTHLY SERVICE CHARGE	n/a	n/a	$ 208.00		
	DISTRIBUTION KW	3000	2.3100	$ 6,930.00		DISTRIBUTION KW	3000	3.17757	$ 9,532.72		
	COST OF POWER KW	3000	6.0500	$ 18,150.00		COST OF POWER KW	3000	6.0500	$ 18,150.00		
	COST OF POWER **KWH**	1,500,000	0.0528	$ 79,125.00		COST OF POWER **KWH**	1,500,000	0.0528	$ 79,125.00		
	CURRENT 2001 BILL			$ 104,356.53		Adjusted 2002 BILL			$ 107,015.72	$ 2,659.19	2.5%

MONTHLY CONSUMPTION 4,000kW, 1,200,000kWh		**KW (enter)**	**RATE $/KW**	**CHARGE $**			**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 151.53		MONTHLY SERVICE CHARGE	n/a	n/a	$ 208.00		
	DISTRIBUTION KW	4000	2.3100	$ 9,240.00		DISTRIBUTION KW	4000	3.17757	$ 12,710.30		
	COST OF POWER KW	4000	6.0500	$ 24,200.00		COST OF POWER KW	4000	6.0500	$ 24,200.00		
	COST OF POWER **KWH**	1,200,000	0.0528	$ 63,300.00		COST OF POWER **KWH**	1,200,000	0.0528	$ 63,300.00		
	CURRENT 2001 BILL			$ 96,891.53		Adjusted 2002 BILL			$ 100,418.29	$ 3,526.76	3.6%

MONTHLY CONSUMPTION 4,000kW, 1,800,000kWh	**KW (enter)**	**RATE $/KW**	**CHARGE $**		**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**

MONTHLY SERVICE CHARGE	n/a	n/a	$ 151.53	MONTHLY SERVICE CHARGE	n/a	n/a	$ 208.00	
DISTRIBUTION KW	4000	2.3100	$ 9,240.00	DISTRIBUTION KW	4000	3.17757	$ 12,710.30	
COST OF POWER KW	4000	6.0500	$ 24,200.00	COST OF POWER KW	4000	6.0500	$ 24,200.00	
COST OF POWER **KWH**	1,800,000	0.0528	$ 94,950.00	COST OF POWER **KWH**	1,800,000	0.0528	$ 94,950.00	
CURRENT 2001 BILL			$ 128,541.53	Adjusted 2002 BILL			$ 132,068.29	$ 3,526.76	2.7%

GENERAL SERVICE >50 KW TIME OF USE

CURRENT 2001 BILL | **2002 BILL (IPI-PF, 1/3 Incremental MARR, 2001 & 2002 PILs)**

ENTER DESIRED CONSUMPTION LEVELS
100kW, 40,000kWh

WINTER

	KW	RATE $/kW	CHARGE $		KW	RATE $/kW	CHARGE $	IMPACT DOLLARS	IMPACT %
DISTRIBUTION kW	100	0.0000	$ -	DISTRIBUTION kW	100	#DIV/0!	#DIV/0!		
kW COST OF POWER Demand Charge	100	0.0000	$ -	kW COST OF POWER Demand Charge	100	0.0000	$ -		
		RATE				**RATE**			
COST OF POWER	**kWh**	**$/kWh**		COST OF POWER	**kWh**	**$/kWh**			
WINTER PEAK	20,000	0.0000	$ -	WINTER PEAK	20,000	0.0000	$ -		
WINTER OFF PEAK	20,000	0.0000	$ -	WINTER OFF PEAK	20,000	0.0000	$ -		
MONTHLY SERVICE CHARGE			$ -	MONTHLY SERVICE CHARGE			#DIV/0!		
TOTAL			$ -	**TOTAL**			#DIV/0!	#DIV/0!	#DIV/0!

SUMMER

	KW	RATE $/kW	CHARGE $		KW	RATE $/kW	CHARGE $	IMPACT DOLLARS	IMPACT %
DISTRIBUTION kW	100	0.0000	$ -	DISTRIBUTION kW	100	#DIV/0!	#DIV/0!		
kW COST OF POWER Demand Charge	100	0.0000	$ -	kW COST OF POWER Demand Charge	100	0.0000	$ -		
		RATE				**RATE**			
COST OF POWER	**kWh**	**$/kWh**		COST OF POWER	**kWh**	**$/kWh**			
SUMMER PEAK	20,000	0.0000	$ -	SUMMER PEAK	20,000	0.0000	$ -		
SUMMER OFF PEAK	20,000	0.0000	$ -	SUMMER OFF PEAK	20,000	0.0000	$ -		
MONTHLY SERVICE CHARGE			$ -	MONTHLY SERVICE CHARGE			#DIV/0!		
TOTAL			$ -	**TOTAL**			#DIV/0!	#DIV/0!	#DIV/0!

GENERAL SERVICE - INTERMEDIATE USE

CURRENT 2001 BILL | **2002 BILL (IPI-PF, 1/3 Incremental MARR, 2001 & 2002 PILs)**

ENTER DESIRED CONSUMPTION LEVELS
4000kW, 1,200,000kWh

WINTER

	KW	RATE $/kW	CHARGE $		KW	RATE $/kW	CHARGE $	IMPACT DOLLARS	IMPACT %
DISTRIBUTION kW	4000	0.0000	$ -	DISTRIBUTION kW	4000	#DIV/0!	#DIV/0!		
kW COST OF POWER Demand Charge	4000	0.0000	$ -	kW COST OF POWER Demand Charge	4000	0.0000	$ -		
		RATE				**RATE**			
COST OF POWER	**kWh**	**$/kWh**		COST OF POWER	**kWh**	**$/kWh**			
WINTER PEAK	600,000	0.0000	$ -	WINTER PEAK	600,000	0.0000	$ -		
WINTER OFF PEAK	600,000	0.0000	$ -	WINTER OFF PEAK	600,000	0.0000	$ -		
MONTHLY SERVICE CHARGE			$ -	MONTHLY SERVICE CHARGE			#DIV/0!		
TOTAL			$ -	**TOTAL**			#DIV/0!	#DIV/0!	#DIV/0!

SUMMER

	KW	RATE $/kW	CHARGE $		KW	RATE $/kW	CHARGE $	IMPACT DOLLARS	IMPACT %
DISTRIBUTION kW	4000	0.0000	$ -	DISTRIBUTION kW	4000	#DIV/0!	#DIV/0!		
kW COST OF POWER Demand Charge	4000	0.0000	$ -	kW COST OF POWER Demand Charge	4000	0.0000	$ -		
		RATE				**RATE**			
COST OF POWER	**kWh**	**$/kWh**		COST OF POWER	**kWh**	**$/kWh**			
SUMMER PEAK	600,000	0.0000	$ -	SUMMER PEAK	600,000	0.0000	$ -		
SUMMER OFF PEAK	600,000	0.0000	$ -	SUMMER OFF PEAK	600,000	0.0000	$ -		
MONTHLY SERVICE CHARGE			$ -	MONTHLY SERVICE CHARGE			#DIV/0!		
TOTAL			$ -	**TOTAL**			#DIV/0!	#DIV/0!	#DIV/0!

LARGE USE

CURRENT 2001 BILL | **2002 BILL (IPI-PF, 1/3 Incremental MARR, 2001 & 2002 PILs)**

ENTER DESIRED CONSUMPTION LEVELS
6000kW, 3,000,000kWh

WINTER

	KW	RATE $/kW	CHARGE $		KW	RATE $/kW	CHARGE $	IMPACT DOLLARS	IMPACT %
DISTRIBUTION kW	6000	1.7400	$ 10,440.00	DISTRIBUTION kW	6000	2.3861	$ 14,316.71		
kW COST OF POWER Demand Charge	6000	10.6300	$ 63,780.00	kW COST OF POWER Demand Charge	6000	10.6300	$ 63,780.00		
		RATE				**RATE**			
COST OF POWER	**kWh**	**$/kWh**		COST OF POWER	**kWh**	**$/kWh**			

WINTER PEAK	1,500,000	0.0689	$	103,275.00	WINTER PEAK	1,500,000	0.0689	$	103,275.00	
WINTER OFF PEAK	1,500,000	0.0412	$	61,725.00	WINTER OFF PEAK	1,500,000	0.0412	$	61,725.00	
MONTHLY SERVICE CHARGE			$	5,452.00	MONTHLY SERVICE CHARGE			$	7,563.93	
TOTAL			$	244,672.00	**TOTAL**			$	250,660.65	$ 5,988.65 2.4%

SUMMER					**SUMMER**						
	KW	**RATE $/kW**		**CHARGE $**		**KW**	**RATE $/kW**		**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
DISTRIBUTION					DISTRIBUTION						
kW	6000	1.7400	$	10,440.00	kW	6000	2.3861	$	14,316.71		
kW COST OF POWER					kW COST OF POWER						
Demand Charge	6000	7.7300	$	46,380.00	Demand Charge	6000	7.7300	$	46,380.00		
		RATE					**RATE**				
COST OF POWER	**kWh**	**$/kWh**			COST OF POWER	**kWh**	**$/kWh**				
SUMMER PEAK	1,500,000	0.0582	$	87,225.00	SUMMER PEAK	1,500,000	0.0582	$	87,225.00		
SUMMER OFF PEAK	1,500,000	0.0306	$	45,825.00	SUMMER OFF PEAK	1,500,000	0.0306	$	45,825.00		
MONTHLY SERVICE CHARGE			$	5,452.00	MONTHLY SERVICE CHARGE			$	7,563.93		
TOTAL			$	195,322.00	**TOTAL**			$	201,310.65	$ 5,988.65	3.1%

SHEET 11 - Z-Factor Adder Calculation

NAME OF UTILITY	Waterloo North Hydro Inc.	**LICENCE NUMBER**	ED-1999-0131
NAME OF CONTACT	Duc Le	**PHONE #**	519-886-5090 ext. 210
E- Mail Address	dle@wnhydro.on.ca		
VERSION NUMBER	0		
Date	25-Jan-02		

This schedule allows LDCs to input the Applied for Value for a Z-Factor.
The amount is allocated to the classes in the same manner as the PILs amount added on Sheet 6 and is recovered as a rate adder.

Enter the applied for Value for the Z-factor: $ -

The Table below uses the 2001 statistics for your LDC to allocate the Z-Factor amount.
The share of class distribution revenue in 2001 is used to allocate this amount to the rate classes.

When this data was added on Sheet 6, it will also appear in the table below.

2001 Statistics by Class	kW	kWh	Number of Customers	Distribution Revenues	2001 Revenue Shares	2002 Z-Factor for Recovery
RESIDENTIAL CLASS	-	366,986,871	37,085	$7,245,681	49.64%	$ -
GENERAL SERVICE <50 KW CLASS	-	170,850,508	5,231	$2,406,414	16.49%	$ -
GENERAL SERVICE >50 KW NON TIME OF USE	1,427,805	-	786	$4,409,933	30.21%	$ -
GENERAL SERVICE >50 KW TIME OF USE	0	-	-	$0	0.00%	$ -
INTERMEDIATE USE	0	-	-	$0	0.00%	$ -
LARGE USER CLASS	185,568	-	2	$425,130	2.91%	$ -
SENTINEL LIGHTS	43	-	13	$764	0.01%	$ -
STREET LIGHTING CLASS	18,633	-	11,286	$108,037	0.74%	$ -
TOTALS				$14,595,959	1.00	-
						$ -

Residential Class

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED Z-Factor Amount for Recovery
	0.315	0.685	100%
(A) ALLOCATED 2002 Z-Factor (Total in Cell G26 above)	$ -	$ -	$ -
(B) RETAIL KWH	366,986,871		
(C) NUMBER OF CUSTOMERS		37,085	
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B (this amount is added to the kWh rate shown on Sheet 9 and the total new rate appears on the Rate Schedule on Sheet 12)	$0.000000		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 9and the total new Service Charge appears on the Rate Schedule on Sheet 12)		$0.0000	

General Service <50kW Class

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED Z-Factor Amount for Recovery
	0.400	0.600	100%
(A) ALLOCATED 2002 Z-Factor (Total in Cell G27 above)	$ -	$ -	$ -
(B) RETAIL KWH	170,850,508		
(C) NUMBER OF CUSTOMERS		5,231	
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B (this amount is added to the kWh rate shown on Sheet 9 and the total new rate appears on the Rate Schedule on Sheet 12)	$0.000000		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 9and the total new Service Charge appears on the Rate Schedule on Sheet 12)		$0.0000	

General Service >50kW Class Non TOU

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED Z-Factor Amount for Recovery
	0.700	0.300	100%
(A) ALLOCATED 2002 Z-Factor (Total in Cell G28 above)	$ -	$ -	$ -
(B) RETAIL KW	1,427,805		
(C) NUMBER OF CUSTOMERS		786	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 9 and the total new rate appears on the Rate Schedule on Sheet 12)	$0.000000		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 9and the total new Service Charge appears on the Rate Schedule on Sheet 12)		$0.0000	

General Service >50kW ClassTOU

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED Z-Factor Amount for Recovery
	0.000	1.000	100%
(A) ALLOCATED 2002 Z-Factor (Total in Cell G29 above)	$ -	$ -	$ -
(B) RETAIL KW	0		
(C) NUMBER OF CUSTOMERS		-	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 9 and the total new rate appears on the Rate Schedule on Sheet 12)	#DIV/0!		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 9and the total new Service Charge appears on the Rate Schedule on Sheet 12)		#DIV/0!	

Intermediate Class

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED Z-Factor Amount for Recovery
	0.000	1.000	100%

(A) ALLOCATED 2002 Z-Factor (Total in Cell G30 above)	$ -	$ -	$ -
(B) RETAIL KW	0		
(C) NUMBER OF CUSTOMERS		-	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 9 and the total new rate appears on the Rate Schedule on Sheet 12)	#DIV/0!		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 9and the total new Service Charge appears on the Rate Schedule on Sheet 12)		#DIV/0!	

Large User Class

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED Z-Factor Amount for Recovery
	0.700	0.300	100%

(A) ALLOCATED 2002 Z-Factor (Total in Cell G31 above)	$ -	$ -	$ -
(B) RETAIL KW	185,568		
(C) NUMBER OF CUSTOMERS		2	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 9 and the total new rate appears on the Rate Schedule on Sheet 12)	$0.000000		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 9and the total new Service Charge appears on the Rate Schedule on Sheet 12)		$0.0000	

Sentinel Lighting Class

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED Z-Factor Amount for Recovery
	0.700	0.300	100%

(A) ALLOCATED 2002 Z-Factor (Total in Cell G32 above)	$ -	$ -	$ -
(B) RETAIL KW	43		
(C) NUMBER OF CUSTOMERS		13	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 9 and the total new rate appears on the Rate Schedule on Sheet 12)	$0.000000		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 9and the total new Service Charge appears on the Rate Schedule on Sheet 12)		$0.0000	

Streetlighting Class

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	ALLOCATED Z-Factor Amount for Recovery
	0.700	0.300	100%
(A) ALLOCATED 2002 Z-Factor (Total in Cell G33 above)	$ -	$ -	$ -
(B) RETAIL KW	18,633		
(C) NUMBER OF CUSTOMERS (Connections)		11,286	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 9 and the total new rate appears on the Rate Schedule on Sheet 12)	$0.000000		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 9and the total new Service Charge appears on the Rate Schedule on Sheet 12)		$0.0000	

SHEET 12 - 2002 Rate Schedule including 2001/2002 PILs Estimate and Z-Factor Adders

NAME OF UTILITY	Waterloo North Hydro Inc.	**LICENCE #**	ED-1999-0131
NAME OF CONTACT	Duc Le	**PHONE #**	519-886-5090 ext. 210
E- Mail Address	dle@wnhydro.on.ca		
VERSION NUMBER	0		
Date	25-Jan-02		

This schedule includes the 2002 distribution rates which have been adjusted for the IPI - PF 2nd year PBR rate adjustment, the 2nd Installment of 1/3 Incremental MARR, the 2001PILs Deferral Account Estimate Adder, the 2002 PILs Proxy Estimate Adder, and the Z-Factor Adder.

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.00931
MONTHLY SERVICE CHARGE (Per Customer)	$16.21147
COST OF POWER KWH RATE	$0.07355

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	$0.00258
MONTHLY SERVICE CHARGE (Per Customer)	$4.59072

COST OF POWER TIME OF USE RATES	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.00815
MONTHLY SERVICE CHARGE (Per Customer)	$34.16453
COST OF POWER KWH RATE	$0.072750

GENERAL SERVICE < 50 KW (TIME OF USE)

DISTRIBUTION KWH RATE	$0.00231
MONTHLY SERVICE CHARGE (Per Customer)	$9.53843

COST OF POWER TIME OF USE RATES	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$3.17757
MONTHLY SERVICE CHARGE (Per Customer)	$207.99533
COST OF POWER KW RATE	$6.050000
COST OF POWER KWH RATE	$0.052750

GENERAL SERVICE > 50 KW (TIME OF USE)

DISTRIBUTION KW RATE	#DIV/0!					
MONTHLY SERVICE CHARGE (Per Customer)	#DIV/0!					
COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE INTERMEDIATE USE

DISTRIBUTION KW RATE	#DIV/0!					
MONTHLY SERVICE CHARGE (Per Customer)	#DIV/0!					
COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000

LARGE USE

DISTRIBUTION KW RATE	$2.38612					
MONTHLY SERVICE CHARGE (Per Customer)	$7,563.93476					
COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$10.6300	$7.7300	$0.0689	$0.0412	$0.0582	$0.0306

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	$18.29426
MONTHLY SERVICE CHARGE (Per Connection)	$2.15999
COST OF POWER KW RATE	$13.4100

OR

SENTINEL LIGHTS (TIME OF USE)

DISTRIBUTION KW RATE	$5.14056	
MONTHLY SERVICE CHARGE (Per Connection)	$0.60726	
COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK
	$/KW	$/KW
	$0.0000	$0.0000

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	$5.92616
MONTHLY SERVICE CHARGE (Per Connection)	$0.36763
COST OF POWER KW RATE	$22.6600

OR

STREET LIGHTING (TIME OF USE)

DISTRIBUTION KW RATE	$1.67346	
MONTHLY SERVICE CHARGE (Per Connection)	$0.10060	
COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK
	$/KW	$/KW
	$0.0000	$0.0000

SHEET 13 - Transition Cost Adder Calculation

NAME OF UTILITY	Waterloo North Hydro Inc.	**LICENCE NUMBER**	ED-1999-0131
NAME OF CONTACT	Duc Le	**PHONE NUMBER**	519-886-5090 ext. 210
E- Mail Address	dle@wnhydro.on.ca		
VERSION NUMBER	0		
Date	25-Jan-02		

This schedule allows LDCs to input the Applied for Value for Transition Costs by the 10 cost categories shown in Article 480 of the APH Handbook.
These categories are:

1 Billing Activities
2 Customer Education Services
3 Wholesale Market Requirements
4 IMO Requirements
5 Retailer/Customer Requirements
6 Staff Adjustment Activities
7 Regulatory Costs
8 Taxes
9 Regulatory Requirements
10 Other

Enter the Amounts to be Applied under each category. The model will allocate the cost under each category to a rate class based on 2001 Distribution Revenue as shown in the 2001 Statistics Table below.
If the Utility would like to allocate the costs on a different basis, allocations can be adjusted manually.

Enter the applied for Total Value for Transition Costs: $ -

Transition Cost Category	1	Allocation	2	Allocation	3	Allocation	4	Allocation	5	Allocation	6	Allocation	7	Allocation	8	Allocation	9	Allocation	10	Allocation	Total
Total																					$ -
RESIDENTIAL CLASS	$ -	49.64%	$ -	49.64%	$ -	49.64%	$ -	49.64%	$ -	49.64%	$ -	49.64%	$ -	49.64%	$ -	49.64%	$ -	49.64%	$ -	49.64%	$ -
GENERAL SERVICE <50 KW CLASS	$ -	16.49%	$ -	16.49%	$ -	16.49%	$ -	16.49%	$ -	16.49%	$ -	16.49%	$ -	16.49%	$ -	16.49%	$ -	16.49%	$ -	16.49%	$ -
GENERAL SERVICE >50 KW NON TIME OF USE	$ -	30.21%	$ -	30.21%	$ -	30.21%	$ -	30.21%	$ -	30.21%	$ -	30.21%	$ -	30.21%	$ -	30.21%	$ -	30.21%	$ -	30.21%	$ -
GENERAL SERVICE >50 KW TIME OF USE	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -
INTERMEDIATE USE	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -	0.00%	$ -
LARGE USER CLASS	$ -	2.91%	$ -	2.91%	$ -	2.91%	$ -	2.91%	$ -	2.91%	$ -	2.91%	$ -	2.91%	$ -	2.91%	$ -	2.91%	$ -	2.91%	$ -
SENTINEL LIGHTS	$ -	0.01%	$ -	0.01%	$ -	0.01%	$ -	0.01%	$ -	0.01%	$ -	0.01%	$ -	0.01%	$ -	0.01%	$ -	0.01%	$ -	0.01%	$ -
STREET LIGHTING CLASS	$ -	0.74%	$ -	0.74%	$ -	0.74%	$ -	0.74%	$ -	0.74%	$ -	0.74%	$ -	0.74%	$ -	0.74%	$ -	0.74%	$ -	0.74%	$ -
TOTALS		100.00%		100.00%		100.00%		100.00%		100.00%		100.00%		100.00%		100.00%		100.00%		100.00%	
																					$ -

2001 Statistics by Class	**kW**	**kWh**	**Number of Customers**	**Distribution Revenues**	**2001 Revenue Shares**	**2002 Transition Costs for Recovery**
RESIDENTIAL CLASS	-	366,986,871	37,085	$7,245,681.00	49.64%	$ -
GENERAL SERVICE <50 KW CLASS	-	170,850,508	5,231	$2,406,414.00	16.49%	$ -
GENERAL SERVICE >50 KW NON TIME OF USE	1,427,805	-	786	$4,409,933.00	30.21%	$ -
GENERAL SERVICE >50 KW TIME OF USE	0	-	-	$0.00	0.00%	$ -
INTERMEDIATE USE	0	-	-	$0.00	0.00%	$ -
LARGE USER CLASS	185,568	-	2	$425,130.00	2.91%	$ -
SENTINEL LIGHTS	43	-	13	$764.00	0.01%	$ -
STREET LIGHTING CLASS	18,633	-	11,286	$108,037.00	0.74%	$ -
TOTALS				$14,595,959.00	1.00	-
						$ -

Residential Class

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	2002 Transition Costs for Recovery
	0.315	0.685	100%
(A) ALLOCATED 2002 Transition Costs (Total in Cell G42 above)	$ -	$ -	$ -
(B) RETAIL KWH	366,986,871		
(C) NUMBER OF CUSTOMERS		37,085	
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 12 and the total new rate appears on the Rate Schedule on Sheet 14)	$0.000000		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 12 and the total new Service Charge appears on the Rate Schedule on Sheet 14)		$0.0000	

General Service <50kW Class

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	2002 Transition Costs for Recovery
	0.400	0.600	100%
(A) ALLOCATED 2002 Transition Costs (Total in Cell G43 above)	$ -	$ -	$ -
(B) RETAIL KWH	170,850,508		
(C) NUMBER OF CUSTOMERS		5,231	
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 12 and the total new rate appears on the Rate Schedule on Sheet 14)	$0.000000		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 12 and the total new Service Charge appears on the Rate Schedule on Sheet 14)		$0.0000	

General Service >50kW Class Non TOU

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	2002 Transition Costs for Recovery
	0.700	0.300	100%
(A) ALLOCATED 2002 Transition Costs (Total in Cell G44 above)	$ -	$ -	$ -
(B) RETAIL KW	1,427,805		
(C) NUMBER OF CUSTOMERS		786	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 12 and the total new rate appears on the Rate Schedule on Sheet 14)	$0.000000		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 12 and the total new Service Charge appears on the Rate Schedule on Sheet 14)		$0.0000	

General Service >50kW ClassTOU

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	2002 Transition Costs for Recovery
	0.000	1.000	100%
(A) ALLOCATED 2002 Transition Costs (Total in Cell G45 above)	$ -	$ -	$ -
(B) RETAIL KW	0		
(C) NUMBER OF CUSTOMERS		-	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 12 and the total new rate appears on the Rate Schedule on Sheet 14)	#DIV/0!		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 12 and the total new Service Charge appears on the Rate Schedule on Sheet 14)		#DIV/0!	

Intermediate Class

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	2002 Transition Costs for Recovery
	0.000	1.000	100%

(A) ALLOCATED 2002 Transition Costs (Total in Cell G46 above)	$ -	$ -	$ -
(B) RETAIL KW	0		
(C) NUMBER OF CUSTOMERS		-	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 12 and the total new rate appears on the Rate Schedule on Sheet 14)	#DIV/0!		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 12 and the total new Service Charge appears on the Rate Schedule on Sheet 14)		#DIV/0!	

Large User Class

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	2002 Transition Costs for Recovery
	0.700	0.300	100%

(A) ALLOCATED 2002 Transition Costs (Total in Cell G47 above)	$ -	$ -	$ -
(B) RETAIL KW	185,568		
(C) NUMBER OF CUSTOMERS		2	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 12 and the total new rate appears on the Rate Schedule on Sheet 14)	$0.000000		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 12 and the total new Service Charge appears on the Rate Schedule on Sheet 14)		$0.0000	

Sentinel Lighting Class

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	2002 Transition Costs for Recovery
	0.700	0.300	100%

(A) ALLOCATED 2002 Transition Costs (Total in Cell G48 above)	$ -	$ -	$ -
(B) RETAIL KW	43		
(C) NUMBER OF CUSTOMERS		13	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 12 and the total new rate appears on the Rate Schedule on Sheet 14)	$0.000000		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 12 and the total new Service Charge appears on the Rate Schedule on Sheet 14)		$0.0000	

Streetlighting Class

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

	VARIABLE CHARGE REVENUE Percentage	SERVICE CHARGE REVENUE Percentage	2002 Transition Costs for Recovery
	0.700	0.300	100%

(A) ALLOCATED 2002 Transition Costs (Total in Cell G49 above)	$ -	$ -	$ -
(B) RETAIL KW	18,633		
(C) NUMBER OF CUSTOMERS (Connections)		11,286	
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 12 and the total new rate appears on the Rate Schedule on Sheet 14)	$0.000000		
(E) ADDITIONAL MONTHLY SERVICE CHARGE (A)/(C)/12 (this amount is added to the Service Charge shown on Sheet 12 and the total new Service Charge appears on the Rate Schedule on Sheet 14)		$0.0000	

SHEET 14 - 2002 Rate Schedule including 2001/2002 PILs Estimate, Z-Factor & Transition Cost Adders

NAME OF UTILITY	Waterloo North Hydro Inc.	**LICENCE #**	ED-1999-0131
NAME OF CONTACT	Duc Le	**PHONE #**	519-886-5090 ext. 210
E- Mail Address	dle@wnhydro.on.ca		
VERSION NUMBER	0		
Date	25-Jan-02		

This schedule includes the 2002 distribution rates which have been adjusted for the IPI - PF 2nd year PBR rate adjustment, the 2nd Installment of 1/3 Incremental MARR, the 2001PILs Deferral Account Estimate Adder, the 2002 PILs Estimate Adder, the Z-Factor Adder and the Transition Cost Adder.

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.0093
MONTHLY SERVICE CHARGE (Per Customer)	$16.2115
COST OF POWER KWH RATE	$0.0736

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	$0.0026
MONTHLY SERVICE CHARGE (Per Customer)	$4.5907

COST OF POWER TIME OF USE RATES	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.0081
MONTHLY SERVICE CHARGE (Per Customer)	$34.1645
COST OF POWER KWH RATE	$0.072750

GENERAL SERVICE < 50 KW (TIME OF USE)

DISTRIBUTION KWH RATE	$0.0023
MONTHLY SERVICE CHARGE (Per Customer)	$9.5384

COST OF POWER TIME OF USE RATES	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$3.1776
MONTHLY SERVICE CHARGE (Per Customer)	$207.9953
COST OF POWER KW RATE	$6.050000
COST OF POWER KWH RATE	$0.052750

GENERAL SERVICE > 50 KW (TIME OF USE)

DISTRIBUTION KW RATE	#DIV/0!					
MONTHLY SERVICE CHARGE (Per Customer)	#DIV/0!					
COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000

GENERAL SERVICE INTERMEDIATE USE

DISTRIBUTION KW RATE	#DIV/0!					
MONTHLY SERVICE CHARGE (Per Customer)	#DIV/0!					
COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000

LARGE USE

DISTRIBUTION KW RATE	$2.3861					
MONTHLY SERVICE CHARGE (Per Customer)	$7,563.9348					
COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	$/KW	$/KW	$/KWH	$/KWH	$/KWH	$/KWH
	$10.6300	$7.7300	$0.0689	$0.0412	$0.0582	$0.0306

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	$18.2943
MONTHLY SERVICE CHARGE (Per Connection)	$2.1600
COST OF POWER KW RATE	$13.4100

OR

SENTINEL LIGHTS (TIME OF USE)

DISTRIBUTION KW RATE	$5.1406	
MONTHLY SERVICE CHARGE (Per Connection)	$0.6073	
COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK
	$/KW	$/KW
	$0.0000	$0.0000

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	$5.9262
MONTHLY SERVICE CHARGE (Per Connection)	$0.3676
COST OF POWER KW RATE	$22.6600

OR

STREET LIGHTING (TIME OF USE)

DISTRIBUTION KW RATE	$1.6735	
MONTHLY SERVICE CHARGE (Per Connection)	$0.1006	
COST OF POWER TIME OF USE RATES	WINTER PEAK	SUMMER PEAK
	$/KW	$/KW
	$0.0000	$0.0000

SHEET 15 - Bill Impact Analysis for 2002 Rate Schedule after 2001 & 2002 PILs Adjustments, Z-Factor & Transition Costs

NAME OF UTILITY	Waterloo North Hydro Inc.	**LICENCE #**	ED-1999-0131
NAME OF CONTACT	Duc Le	**PHONE #**	519-886-5090 ext. 210
E- Mail Address	dle@wnhydro.on.ca		
VERSION NUMBER	0		
Date	25-Jan-02		

This schedule shows the bill impacts using the 2002 Rate Schedule which includes the IPI - PF 2nd year PBR rate adjustment, the addition of the 2nd Installment of 1/3 Incremental MARR, the 2001 PILs deferral account estimate, the 2002 PILs estimate and the impact of the addition of Z-Factor and Transition Cost amounts.

BILL IMPACT ANALYSIS: Current Bill vs. 2002 Bill (including IPI-PF, 1/3 Incremental MARR, 2001 & 2002 PILs, Z-Factor and Transition Costs)

RESIDENTIAL CLASS

NON-TIME OF USE

CURRENT 2001 BILL

ENTER DESIRED CONSUMPTION LEVEL		KWH (enter)	RATE $/KWH	CHARGE $
100 kWh				
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 11.75
	DISTRIBUTION KWH	100	0.0068	$ 0.68
	COST OF POWER KWH	100	0.0736	$ 7.36
	CURRENT 2001 BILL			$ 19.79
250 kWh				
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 11.75
	DISTRIBUTION KWH	250	0.0068	$ 1.70
	COST OF POWER KWH	250	0.0736	$ 18.39
	CURRENT 2001 BILL			$ 31.84
500 kWh				
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 11.75
	DISTRIBUTION KWH	500	0.0068	$ 3.40
	COST OF POWER KWH	500	0.0736	$ 36.78
	CURRENT 2001 BILL			$ 51.93
750 kWh				
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 11.75
	DISTRIBUTION KWH	750	0.0068	$ 5.10
	COST OF POWER KWH	750	0.0736	$ 55.16
	CURRENT 2001 BILL			$ 72.01
1000 kWh				
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 11.75
	DISTRIBUTION KWH	1000	0.0068	$ 6.80
	COST OF POWER KWH	1000	0.0736	$ 73.55
	CURRENT 2001 BILL			$ 92.10
1500 kWh				
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 11.75
	DISTRIBUTION KWH	1500	0.0068	$ 10.20
	COST OF POWER KWH	1500	0.0736	$ 110.33
	CURRENT 2001 BILL			$ 132.28
2000 kWh				
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 11.75
	DISTRIBUTION KWH	2000	0.0068	$ 13.60
	COST OF POWER KWH	2000	0.0736	$ 147.10
	CURRENT 2001 BILL			$ 172.45

2002 BILL (IPI-PF, 1/3 MARR, 2001&2002 PILs, Z-Factor & Transition)

	KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 16.21		
DISTRIBUTION KWH	100	0.00931	$ 0.93		
COST OF POWER KWH	100	0.0736	$ 7.36		
Adjusted 2002 BILL			$ 24.50	$ 4.71	23.8%
MONTHLY SERVICE CHARGE	n/a	n/a	$ 16.21		
DISTRIBUTION KWH	250	0.00931	$ 2.33		
COST OF POWER KWH	250	0.0736	$ 18.39		
Adjusted 2002 BILL			$ 36.93	$ 5.09	16.0%
MONTHLY SERVICE CHARGE	n/a	n/a	$ 16.21		
DISTRIBUTION KWH	500	0.00931	$ 4.65		
COST OF POWER KWH	500	0.0736	$ 36.78		
Adjusted 2002 BILL			$ 57.64	$ 5.71	11.0%
MONTHLY SERVICE CHARGE	n/a	n/a	$ 16.21		
DISTRIBUTION KWH	750	0.00931	$ 6.98		
COST OF POWER KWH	750	0.0736	$ 55.16		
Adjusted 2002 BILL			$ 78.35	$ 6.34	8.8%
MONTHLY SERVICE CHARGE	n/a	n/a	$ 16.21		
DISTRIBUTION KWH	1000	0.00931	$ 9.31		
COST OF POWER KWH	1000	0.0736	$ 73.55		
Adjusted 2002 BILL			$ 99.07	$ 6.97	7.6%
MONTHLY SERVICE CHARGE	n/a	n/a	$ 16.21		
DISTRIBUTION KWH	1500	0.00931	$ 13.96		
COST OF POWER KWH	1500	0.0736	$ 110.33		
Adjusted 2002 BILL			$ 140.50	$ 8.22	6.2%
MONTHLY SERVICE CHARGE	n/a	n/a	$ 16.21		
DISTRIBUTION KWH	2000	0.00931	$ 18.61		
COST OF POWER KWH	2000	0.0736	$ 147.10		
Adjusted 2002 BILL			$ 181.92	$ 9.47	5.5%

GENERAL SERVICE < 50 KW

CURRENT 2001 BILL

ENTER DESIRED CONSUMPTION LEVEL		KWH (enter)	RATE $/KWH	CHARGE $
1000 kWh				
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 24.90
	DISTRIBUTION KWH	1000	0.0059	$ 5.90

2002 BILL (IPI-PF, 1/3 MARR, 2001&2002 PILs, Z-Factor & Transition)

	KWH	RATE $/KWH	CHARGE $	IMPACT DOLLARS	IMPACT %
MONTHLY SERVICE CHARGE	n/a	n/a	$ 34.16		
DISTRIBUTION KWH	1000	0.00815	$ 8.15		

		COST OF								COST OF					
		POWER	KWH	1000	0.0728	$	72.75			POWER	KWH	1000	0.0728	$	72.75
		CURRENT 2001 BILL				$	103.55			Adjusted 2002 BILL				$	115.06
MONTHLY CONSUMPTION			**KWH**	**RATE**	**CHARGE**						**KWH**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**
2000 kWh			**(enter)**	**$/KWH**	**$**							**$/KWH**	**$**	**DOLLARS**	**%**
		MONTHLY SERVICE CHARGE		n/a	n/a	$	24.90			MONTHLY SERVICE CHARGE		n/a	n/a	$	34.16
		DISTRIBUTION KWH		2000	0.0059	$	11.80			DISTRIBUTION KWH		2000	0.00815	$	16.29
		COST OF POWER	KWH	2000	0.0728	$	145.50			COST OF POWER	KWH	2000	0.0728	$	145.50
		CURRENT 2001 BILL				$	182.20			Adjusted 2002 BILL				$	195.96
MONTHLY CONSUMPTION			**KWH**	**RATE**	**CHARGE**						**KWH**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**
5000 kWh			**(enter)**	**$/KWH**	**$**							**$/KWH**	**$**	**DOLLARS**	**%**
		MONTHLY SERVICE CHARGE		n/a	n/a	$	24.90			MONTHLY SERVICE CHARGE		n/a	n/a	$	34.16
		DISTRIBUTION KWH		5000	0.0059	$	29.50			DISTRIBUTION KWH		5000	0.00815	$	40.73
		COST OF POWER	KWH	5000	0.0728	$	363.75			COST OF POWER	KWH	5000	0.0728	$	363.75
		CURRENT 2001 BILL				$	418.15			Adjusted 2002 BILL				$	438.65
MONTHLY CONSUMPTION			**KWH**	**RATE**	**CHARGE**						**KWH**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**
10,000 kWh			**(enter)**	**$/KWH**	**$**							**$/KWH**	**$**	**DOLLARS**	**%**
		MONTHLY SERVICE CHARGE		n/a	n/a	$	24.90			MONTHLY SERVICE CHARGE		n/a	n/a	$	34.16
		DISTRIBUTION KWH		10000	0.0059	$	59.00			DISTRIBUTION KWH		10000	0.00815	$	81.47
		COST OF POWER	KWH	10000	0.0728	$	727.50			COST OF POWER	KWH	10000	0.0728	$	727.50
		CURRENT 2001 BILL				$	811.40			Adjusted 2002 BILL				$	843.13
MONTHLY CONSUMPTION			**KWH**	**RATE**	**CHARGE**						**KWH**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**
20,000 KWh			**(enter)**	**$/KWH**	**$**							**$/KWH**	**$**	**DOLLARS**	**%**
		MONTHLY SERVICE CHARGE		n/a	n/a	$	24.90			MONTHLY SERVICE CHARGE		n/a	n/a	$	34.16
		DISTRIBUTION KWH		20000	0.0059	$	118.00			DISTRIBUTION KWH		20000	0.00815	$	162.93
		COST OF POWER	KWH	20000	0.0728	$	1,455.00			COST OF POWER	KWH	20000	0.0728	$	1,455.00
		CURRENT 2001 BILL				$	1,597.90			Adjusted 2002 BILL				$	1,652.10

GENERAL SERVICE > 50 KW NON TIME OF USE

CURRENT 2001 BILL | **2002 BILL (IPI-PF, 1/3 MARR, 2001&2002 PILs, Z-Factor & Transition)**

ENTER DESIRED CONSUMPTION LEVEL

			KW	**RATE**	**CHARGE**						**KW**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**
			(enter)	**$/KW**	**$**							**$/KW**	**$**	**DOLLARS**	**%**
		MONTHLY SERVICE CHARGE		n/a	n/a	$	151.53			MONTHLY SERVICE CHARGE		n/a	n/a	$	208.00
		DISTRIBUTION KW		0	2.3100	$	-			DISTRIBUTION KW		0	3.17757	$	-
		COST OF POWER	KW	0	6.0500	$	-			COST OF POWER	KW	0	6.0500	$	-
		COST OF POWER **KWH**		0	0.0528	$	-			COST OF POWER **KWH**		0	0.0528	$	-
		CURRENT 2001 BILL				$	151.53			Adjusted 2002 BILL				$	208.00
MONTHLY CONSUMPTION			**KW**	**RATE**	**CHARGE**						**KW**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**
100kW, 30,000kWh			**(enter)**	**$/KW**	**$**							**$/KW**	**$**	**DOLLARS**	**%**
		MONTHLY SERVICE CHARGE		n/a	n/a	$	151.53			MONTHLY SERVICE CHARGE		n/a	n/a	$	208.00
		DISTRIBUTION KW		100	2.3100	$	231.00			DISTRIBUTION KW		100	3.17757	$	317.76
		COST OF POWER	KW	100	6.0500	$	605.00			COST OF POWER	KW	100	6.0500	$	605.00
		COST OF POWER **KWH**		30,000	0.0528	$	1,582.50			COST OF POWER **KWH**		30,000	0.0528	$	1,582.50
		CURRENT 2001 BILL				$	2,570.03			Adjusted 2002 BILL				$	2,713.25
MONTHLY CONSUMPTION			**KW**	**RATE**	**CHARGE**						**KW**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**
100kW, 40,000kWh			**(enter)**	**$/KW**	**$**							**$/KW**	**$**	**DOLLARS**	**%**
		MONTHLY SERVICE CHARGE		n/a	n/a	$	151.53			MONTHLY SERVICE CHARGE		n/a	n/a	$	208.00
		DISTRIBUTION KW		100	2.3100	$	231.00			DISTRIBUTION KW		100	3.17757	$	317.76
		COST OF POWER	KW	100	6.0500	$	605.00			COST OF POWER	KW	100	6.0500	$	605.00
		COST OF POWER **KWH**		40,000	0.0528	$	2,110.00			COST OF POWER **KWH**		40,000	0.0528	$	2,110.00
		CURRENT 2001 BILL				$	3,097.53			Adjusted 2002 BILL				$	3,240.75
MONTHLY CONSUMPTION			**KW**	**RATE**	**CHARGE**						**KW**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**
500kW, 100,000kWh			**(enter)**	**$/KW**	**$**							**$/KW**	**$**	**DOLLARS**	**%**
		MONTHLY SERVICE CHARGE		n/a	n/a	$	151.53			MONTHLY SERVICE CHARGE		n/a	n/a	$	208.00
		DISTRIBUTION KW		500	2.3100	$	1,155.00			DISTRIBUTION KW		500	3.17757	$	1,588.79
		COST OF POWER	KW	500	6.0500	$	3,025.00			COST OF POWER	KW	500	6.0500	$	3,025.00
		COST OF POWER **KWH**		100,000	0.0528	$	5,275.00			COST OF POWER **KWH**		100,000	0.0528	$	5,275.00
		CURRENT 2001 BILL				$	9,606.53			Adjusted 2002 BILL				$	10,096.78
MONTHLY CONSUMPTION			**KW**	**RATE**	**CHARGE**						**KW**	**RATE**	**CHARGE**	**IMPACT**	**IMPACT**
500kW, 250,000kWh			**(enter)**	**$/KW**	**$**							**$/KW**	**$**	**DOLLARS**	**%**
		MONTHLY SERVICE CHARGE		n/a	n/a	$	151.53			MONTHLY SERVICE CHARGE		n/a	n/a	$	208.00

DISTRIBUTION KW	500	2.3100	$	1,155.00	DISTRIBUTION KW	500	3.17757	$	1,588.79					
COST OF POWER KW	500	6.0500	$	3,025.00	COST OF POWER KW	500	6.0500	$	3,025.00					
COST OF POWER **KWH**	250,000	0.0528	$	13,187.50	COST OF POWER **KWH**	250,000	0.0528	$	13,187.50					
CURRENT 2001 BILL			$	17,519.03	Adjusted 2002 BILL			$	18,009.28	$	490.25	2.8%		

MONTHLY CONSUMPTION 1000kW, 400,000kWh	**KW (enter)**	**RATE $/KW**	**CHARGE $**		**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	151.53	MONTHLY SERVICE CHARGE	n/a	n/a	$	208.00		
DISTRIBUTION KW	1000	2.3100	$	2,310.00	DISTRIBUTION KW	1000	3.17757	$	3,177.57		
COST OF POWER KW	1000	6.0500	$	6,050.00	COST OF POWER KW	1000	6.0500	$	6,050.00		
COST OF POWER **KWH**	400,000	0.0528	$	21,100.00	COST OF POWER **KWH**	400,000	0.0528	$	21,100.00		
CURRENT 2001 BILL			$	29,611.53	Adjusted 2002 BILL			$	30,535.57	$	924.04	3.1%

MONTHLY CONSUMPTION 1000kW, 500,000kWh	**KW (enter)**	**RATE $/KW**	**CHARGE $**		**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	151.53	MONTHLY SERVICE CHARGE	n/a	n/a	$	208.00		
DISTRIBUTION KW	1000	2.3100	$	2,310.00	DISTRIBUTION KW	1000	3.17757	$	3,177.57		
COST OF POWER KW	1000	6.0500	$	6,050.00	COST OF POWER KW	1000	6.0500	$	6,050.00		
COST OF POWER **KWH**	500,000	0.0528	$	26,375.00	COST OF POWER **KWH**	500,000	0.0528	$	26,375.00		
CURRENT 2001 BILL			$	34,886.53	Adjusted 2002 BILL			$	35,810.57	$	924.04	2.6%

MONTHLY CONSUMPTION 3,000kW, 1,000,000kWh	**KW (enter)**	**RATE $/KW**	**CHARGE $**		**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	151.53	MONTHLY SERVICE CHARGE	n/a	n/a	$	208.00		
DISTRIBUTION KW	3000	2.3100	$	6,930.00	DISTRIBUTION KW	3000	3.17757	$	9,532.72		
COST OF POWER KW	3000	6.0500	$	18,150.00	COST OF POWER KW	3000	6.0500	$	18,150.00		
COST OF POWER **KWH**	1,000,000	0.0528	$	52,750.00	COST OF POWER **KWH**	1,000,000	0.0528	$	52,750.00		
CURRENT 2001 BILL			$	77,981.53	Adjusted 2002 BILL			$	80,640.72	$	2,659.19	3.4%

MONTHLY CONSUMPTION 3,000kW, 1,500,000kWh	**KW (enter)**	**RATE $/KW**	**CHARGE $**		**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	151.53	MONTHLY SERVICE CHARGE	n/a	n/a	$	208.00		
DISTRIBUTION KW	3000	2.3100	$	6,930.00	DISTRIBUTION KW	3000	3.17757	$	9,532.72		
COST OF POWER KW	3000	6.0500	$	18,150.00	COST OF POWER KW	3000	6.0500	$	18,150.00		
COST OF POWER **KWH**	1,500,000	0.0528	$	79,125.00	COST OF POWER **KWH**	1,500,000	0.0528	$	79,125.00		
CURRENT 2001 BILL			$	104,356.53	Adjusted 2002 BILL			$	107,015.72	$	2,659.19	2.5%

MONTHLY CONSUMPTION 4,000kW, 1,200,000kWh	**KW (enter)**	**RATE $/KW**	**CHARGE $**		**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	151.53	MONTHLY SERVICE CHARGE	n/a	n/a	$	208.00		
DISTRIBUTION KW	4000	2.3100	$	9,240.00	DISTRIBUTION KW	4000	3.17757	$	12,710.30		
COST OF POWER KW	4000	6.0500	$	24,200.00	COST OF POWER KW	4000	6.0500	$	24,200.00		
COST OF POWER **KWH**	1,200,000	0.0528	$	63,300.00	COST OF POWER **KWH**	1,200,000	0.0528	$	63,300.00		
CURRENT 2001 BILL			$	96,891.53	Adjusted 2002 BILL			$	100,418.29	$	3,526.76	3.6%

MONTHLY CONSUMPTION 4,000kW, 1,800,000kWh	**KW (enter)**	**RATE $/KW**	**CHARGE $**		**KW**	**RATE $/KW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	151.53	MONTHLY SERVICE CHARGE	n/a	n/a	$	208.00		
DISTRIBUTION KW	4000	2.3100	$	9,240.00	DISTRIBUTION KW	4000	3.17757	$	12,710.30		
COST OF POWER KW	4000	6.0500	$	24,200.00	COST OF POWER KW	4000	6.0500	$	24,200.00		
COST OF POWER **KWH**	1,800,000	0.0528	$	94,950.00	COST OF POWER **KWH**	1,800,000	0.0528	$	94,950.00		
CURRENT 2001 BILL			$	128,541.53	Adjusted 2002 BILL			$	132,068.29	$	3,526.76	2.7%

GENERAL SERVICE >50 KW TIME OF USE

CURRENT 2001 BILL | **2002 BILL (IPI-PF, 1/3 MARR, 2001&2002 PILs, Z-Factor & Transition)**

ENTER DESIRED CONSUMPTION LEVELS
100kW, 40,000kWh

WINTER

	KW	**RATE $/kW**	**CHARGE $**		**KW**	**RATE $/kW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
DISTRIBUTION kW	100	0.0000	$	-	DISTRIBUTION kW	100	#DIV/0!	#DIV/0!		
kW COST OF POWER Demand Charge	100	0.0000	$	-	kW COST OF POWER Demand Charge	100	0.0000	$	-		
		RATE					**RATE**				
COST OF POWER	**kWh**	**$/kWh**			COST OF POWER	**kWh**	**$/kWh**				
WINTER PEAK	20,000	0.0000	$	-	WINTER PEAK	20,000	0.0000	$	-		
WINTER OFF PEAK	20,000	0.0000	$	-	WINTER OFF PEAK	20,000	0.0000	$	-		
MONTHLY SERVICE CHARGE			$	-	MONTHLY SERVICE CHARGE			#DIV/0!			
TOTAL			$	-	**TOTAL**			#DIV/0!	#DIV/0!	#DIV/0!	

SUMMER

	KW	**RATE $/kW**	**CHARGE $**		**KW**	**RATE $/kW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
DISTRIBUTION kW	100	0.0000	$	-	DISTRIBUTION kW	100	#DIV/0!	#DIV/0!		
kW COST OF POWER Demand Charge	100	0.0000	$	-	kW COST OF POWER Demand Charge	100	0.0000	$	-		
		RATE					**RATE**				
COST OF POWER	**kWh**	**$/kWh**			COST OF POWER	**kWh**	**$/kWh**				
SUMMER PEAK	20,000	0.0000	$	-	SUMMER PEAK	20,000	0.0000	$	-		

SUMMER OFF PEAK	20,000	0.0000	$	-	SUMMER OFF PEAK	20,000	0.0000	$	-	
MONTHLY SERVICE CHARGE			$	-	MONTHLY SERVICE CHARGE			#DIV/0!		
TOTAL			$	-	**TOTAL**			#DIV/0!	#DIV/0!	#DIV/0!

GENERAL SERVICE - INTERMEDIATE USE

	CURRENT 2001 BILL				**2002 BILL (IPI-PF, 1/3 MARR, 2001&2002 PILs, Z-Factor & Transition)**					
ENTER DESIRED CONSUMPTION LEVELS										
4000kW, 1,200,000kWh	**WINTER**	**KW**	**RATE $/kW**	**CHARGE $**	**WINTER**	**KW**	**RATE $/kW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	DISTRIBUTION kW	4000	0.0000	$ -	DISTRIBUTION kW	4000	#DIV/0!	#DIV/0!		
	kW COST OF POWER Demand Charge	4000	0.0000	$ -	kW COST OF POWER Demand Charge	4000	0.0000	$ -		
			RATE				**RATE**			
	COST OF POWER	**kWh**	**$/kWh**		COST OF POWER	**kWh**	**$/kWh**			
	WINTER PEAK	600,000	0.0000	$ -	WINTER PEAK	600,000	0.0000	$ -		
	WINTER OFF PEAK	600,000	0.0000	$ -	WINTER OFF PEAK	600,000	0.0000	$ -		
	MONTHLY SERVICE CHARGE			$ -	MONTHLY SERVICE CHARGE			#DIV/0!		
	TOTAL			$ -	**TOTAL**			#DIV/0!	#DIV/0!	#DIV/0!
	SUMMER	**KW**	**RATE $/kW**	**CHARGE $**	**SUMMER**	**KW**	**RATE $/kW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	DISTRIBUTION kW	4000	0.0000	$ -	DISTRIBUTION kW	4000	#DIV/0!	#DIV/0!		
	kW COST OF POWER Demand Charge	4000	0.0000	$ -	kW COST OF POWER Demand Charge	4000	0.0000	$ -		
			RATE				**RATE**			
	COST OF POWER	**kWh**	**$/kWh**		COST OF POWER	**kWh**	**$/kWh**			
	SUMMER PEAK	600,000	0.0000	$ -	SUMMER PEAK	600,000	0.0000	$ -		
	SUMMER OFF PEAK	600,000	0.0000	$ -	SUMMER OFF PEAK	600,000	0.0000	$ -		
	MONTHLY SERVICE CHARGE			$ -	MONTHLY SERVICE CHARGE			#DIV/0!		
	TOTAL			$ -	**TOTAL**			#DIV/0!	#DIV/0!	#DIV/0!

LARGE USE

	CURRENT 2001 BILL				**2002 BILL (IPI-PF, 1/3 MARR, 2001&2002 PILs, Z-Factor & Transition)**					
ENTER DESIRED CONSUMPTION LEVELS										
6000kW, 3,000,000kWh	**WINTER**	**KW**	**RATE $/kW**	**CHARGE $**	**WINTER**	**KW**	**RATE $/kW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	DISTRIBUTION kW	6000	1.7400	$ 10,440.00	DISTRIBUTION kW	6000	2.3861	$ 14,316.71		
	kW COST OF POWER Demand Charge	6000	10.6300	$ 63,780.00	kW COST OF POWER Demand Charge	6000	10.6300	$ 63,780.00		
			RATE				**RATE**			
	COST OF POWER	**kWh**	**$/kWh**		COST OF POWER	**kWh**	**$/kWh**			
	WINTER PEAK	1,500,000	0.0689	$ 103,275.00	WINTER PEAK	1,500,000	0.0689	$ 103,275.00		
	WINTER OFF PEAK	1,500,000	0.0412	$ 61,725.00	WINTER OFF PEAK	1,500,000	0.0412	$ 61,725.00		
	MONTHLY SERVICE CHARGE			$ 5,452.00	MONTHLY SERVICE CHARGE			$ 7,563.93		
	TOTAL			$ 244,672.00	**TOTAL**			$ 250,660.65	$ 5,988.65	2.4%
	SUMMER	**KW**	**RATE $/kW**	**CHARGE $**	**SUMMER**	**KW**	**RATE $/kW**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	DISTRIBUTION kW	6000	1.7400	$ 10,440.00	DISTRIBUTION kW	6000	2.3861	$ 14,316.71		
	kW COST OF POWER Demand Charge	6000	7.7300	$ 46,380.00	kW COST OF POWER Demand Charge	6000	7.7300	$ 46,380.00		
			RATE				**RATE**			
	COST OF POWER	**kWh**	**$/kWh**		COST OF POWER	**kWh**	**$/kWh**			
	SUMMER PEAK	1,500,000	0.0582	$ 87,225.00	SUMMER PEAK	1,500,000	0.0582	$ 87,225.00		
	SUMMER OFF PEAK	1,500,000	0.0306	$ 45,825.00	SUMMER OFF PEAK	1,500,000	0.0306	$ 45,825.00		
	MONTHLY SERVICE CHARGE			$ 5,452.00	MONTHLY SERVICE CHARGE			$ 7,563.93		
	TOTAL			$ 195,322.00	**TOTAL**			$ 201,310.65	$ 5,988.65	3.1%

Schedule of Rates and Charges

Waterloo North Hydro Inc.

Effective March 1, 2002

RP-2002-xxxx
EB-2002-xxxx

Time Periods for Time of Use (Eastern Standard Time)

Winter: All Hours, October 1 through March 31

Summer: All Hours, April 1 through September 30

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

Off Peak: All Other Hours.

RESIDENTIAL

Monthly Service Charge	(per month)	$16.21
Distribution Volumetric Rate	(per kWh)	$0.0093
Cost of Power Rate	(per kWh)	$0.0736

RESIDENTIAL (Time of Use)

Monthly Service Charge	(per month)	N/A
Distribution Volumetric Rate	(per kWh)	N/A
Cost of Power - Winter Peak	(per kWh)	$0.0000
Cost of Power - Winter Off Peak	(per kWh)	$0.0000
Cost of Power - Summer Peak	(per kWh)	$0.0000
Cost of Power - Summer Off Peak	(per kWh)	$0.0000

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	$34.16
Distribution Volumetric Rate	(per kWh)	$0.0081
Cost of Power Rate	(per kWh)	$0.0728

GENERAL SERVICE < 50 KW (Time of Use)

Monthly Service Charge	(per month)	N/A
Distribution Volumetric Rate	(per kWh)	N/A
Cost of Power - Winter Peak	(per kWh)	$0.0000
Cost of Power - Winter Off Peak	(per kWh)	$0.0000
Cost of Power - Summer Peak	(per kWh)	$0.0000
Cost of Power - Summer Off Peak	(per kWh)	$0.0000

Schedule of Rates and Charges

GENERAL SERVICE > 50 KW (Non Time of Use)

Monthly Service Charge	(per month)	$208.00
Distribution Volumetric Rate	(per kW)	$3.1776
Cost of Power Demand Rate	(per kW)	$6.0500
Cost of Power Energy Rate	(per kWh)	$0.0528

GENERAL SERVICE > 50 KW (Time of Use)

Monthly Service Charge	(per month)	#DIV/0!
Distribution Volumetric Rate	(per kW)	#DIV/0!
Cost of Power - Winter Peak	(per kW)	$0.0000
Cost of Power - Summer Peak	(per kW)	$0.0000
Cost of Power - Winter Peak	(per kWh)	$0.0000
Cost of Power - Winter Off Peak	(per kWh)	$0.0000
Cost of Power - Summer Peak	(per kWh)	$0.0000
Cost of Power - Summer Off Peak	(per kWh)	$0.0000

GENERAL SERVICE INTERMEDIATE USE

Monthly Service Charge	(per month)	#DIV/0!
Distribution Volumetric Rate	(per kW)	#DIV/0!
Cost of Power - Winter Peak	(per kW)	$0.0000
Cost of Power - Summer Peak	(per kW)	$0.0000
Cost of Power - Winter Peak	(per kWh)	$0.0000
Cost of Power - Winter Off Peak	(per kWh)	$0.0000
Cost of Power - Summer Peak	(per kWh)	$0.0000
Cost of Power - Summer Off Peak	(per kWh)	$0.0000

LARGE USE

Monthly Service Charge	(per month)	$7,563.93
Distribution Volumetric Rate	(per kW)	$2.3861
Cost of Power - Winter Peak	(per kW)	$10.6300
Cost of Power - Summer Peak	(per kW)	$7.7300
Cost of Power - Winter Peak	(per kWh)	$0.0689
Cost of Power - Winter Off Peak	(per kWh)	$0.0412
Cost of Power - Summer Peak	(per kWh)	$0.0582
Cost of Power - Summer Off Peak	(per kWh)	$0.0306

Schedule of Rates and Charges

SENTINEL LIGHTS (Non Time of Use)

Monthly Service Charge	(per month)	$2.16
Distribution Volumetric Rate	(per kW)	$18.2943
Cost of Power Demand Rate	(per kW)	$13.4100

SENTINEL LIGHTS (Time of Use)

Monthly Service Charge	(per month)	N/A
Distribution Volumetric Rate	(per kW)	N/A
Cost of Power - Winter	(per kW)	$0.0000
Cost of Power - Summer	(per kW)	$0.0000

STREET LIGHTING (Non Time of Use)

Monthly Service Charge	(per month)	$0.37
Distribution Volumetric Rate	(per kW)	$5.9262
Cost of Power Demand Rate	(per kW)	$22.6600

STREET LIGHTING (Time of Use)

Monthly Service Charge	(per month)	N/A
Distribution Volumetric Rate	(per kW)	N/A
Cost of Power - Winter	(per kW)	$0.0000
Cost of Power - Summer	(per kW)	$0.0000

MISCELLANEOUS CHARGES

ADD 2002 OEB APPROVED MISCELLANEOUS CHARGES HERE

New Account Setup		$	-
Change of Occupancy		$	-
Account History			
Administration Fee		$	-
Current Year Data		$	-
Each Additional Year Data		$	-
Arrear's Certificate		$	-
Late Payment			1.50% per month
Returned Cheque		$	13.00
Collection of Account Charge		$	7.00
Disconnect/Reconnect Charges (non payment of account)			
At Meter - During Regular Hours		$	15.00
At Meter - After Hours		$	27.00
Temporary Pole Service		$	50.00
Check meter		$	5.00
Temporary Service Connection		$	100.00
After Hours High Voltage Station Outage		$	-
Residential Service 2nd Visit to Connect New Service		$	-
Residential Service After Hours Visit to Connect New Service		$	-
Diversity Adjustment Credit (per KW)	Winter	$	1.80
(discontinued at Market Opening)	Summer	$	1.51

Attachment F

2004
Rate Application
Model

SHEET 1 - December 31, 2002 Regulatory Assets

NAME OF UTILITY	Waterloo North Hydro Inc.	**LICENCE NUMBER**	ED-2002-0575
NAME OF CONTACT	Albert P. Singh	**PHONE NUMBER**	519-886-5090
E- Mail Address	asingh@wnhydro.on.ca		
VERSION NUMBER	v3 Final		
Date	22-Jan-04		

Enter the total applied-for regulatory asset amounts for each account in the appropriate cells below:
(These amounts should correspond to your December 31, 2002 regulatory filings with the OEB.)

Description	**Account Number**		**Applied-for Amount Balance as at Dec. 31, 2002**
RSVA - Wholesale Market Service Charge	1580		$1,782,380
RSVA - Retail Transmission Network Charge	1584		$282,134
RSVA - Retail Transmission Connection Charge	1586		-$2,135,668
RSVA - Power	1588		-$519,401
Sub-Total			-$590,555
RSVA - One-time Wholesale Market Service	1582		$71,314
Other Regulatory Assets	1508		$0
Retail Cost Variance Account - Retail	1518		-$2,079
Retail Cost Variance Account - STR	1548		$1,497
Misc. Deferred Debits - incl. Rebate Cheques	1525		$52,901
Deferred Payments in Lieu of Taxes	1562		$526,937
PILs Contra Account	1563		$0
Qualifing Transition Costs	1570		$984,097
Pre-Market Opening Energy Variances Total	1571		$2,355,905
Pre-Market Opening Energy Variances - 2001		$916,657	
Pre-Market Opening Energy Variances - 2002		$1,439,248	
Extra-Ordinary Event Losses	1572		$0
Deferred Rate Impact Amounts	1574		$0
Other Deferred Credits	2425		$0
Total Applied-for Regulatory Assets		**(a)**	$3,400,017
(1) Total of 4 RSVA Accounts		**(b)**	-$590,555 Approved for 2004 Final Recovery
4 RSVA accounts as a percent of total: (b) / (a)			-17.4%
(2) 25 % of (a)		**(c)**	$850,004

If (b) is greater than (c) go to Section 1

If (b) is less than (c) go to Section 2

Section 1: For LDCs with 4 RSVA accounts greater than 25 % of Total:

25% of total applied-for Regulatory Asset Accounts: Amount (c)	$850,004	Approved for Final 2004 Rate Recovery
Gross Up for Recovery over 11 months: Amount (c) x 12/11	$927,277	Enter this amount on Sheet 3 (Therefore, entry on Sheet 5 is zero.)
Remaining Final Amount to be recovered in future periods (b) - (c)	-$1,440,559	Ignore minus sign

Section 2: For LDCs with 4 RSVA accounts less than 25 % of Total:

25% of total applied-for Regulatory Asset Accounts: Amount (c)		$850,004	Approved for 2004 Rate Recovery
Final 4 RSVA Amount as shown at (b)		-$590,555	
Gross Up for Recovery over 11 months: Amount (b) x 12/11		-$644,242	Enter this amount on Sheet 3
Interim Amount to be recovered (c) - (b)	**(d)**	$1,440,559	
Gross Up for Recovery over 11 months: Amount (d) x 12/11		$1,571,519	Enter this amount on Sheet 5
Total Final + Interim Amount for Recovery (b) + (d) (no gross up)		$850,004	

Rate Implementation

	Check Box Yes or No
Our utility is able to pro-rate the bill so that consumption before April 1 is at the old rates and post April 1 consumption is billed at the new rates.	Yes
Our utility is not able to pro-rate consumption and therefore our customers will not be charged the new rates until the completion of an entire billing cycle.	

SHEET 2 - 2002 Base Rate Schedule

NAME OF UTILITY	Waterloo North Hydro Inc.	**LICENCE NUMBER**	ED-2002-0575
NAME OF CONTACT	Albert P. Singh	**PHONE NUMBER**	519-886-5090
E- Mail Address	asingh@wnhydro.on.ca		
VERSION NUMBER	v3 Final		
Date	22-Jan-04		

Enter the values for your 2002 Base Rates as shown in your 2002 RA Model at Sheet 4.
This is the version of the model that was used to determine your current OEB approved rate schedule.
(This removes the impact of the recovery of Q4 2001 PILs, 2002 PILs, and any Z-factors or Interim Transition Cost approvals from Existing Rates).
You may adjust the rate classes if your LDC has non-standard classes.

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.0074
MONTHLY SERVICE CHARGE (Per Customer)	$12.86

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	$0.0000
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.0065
MONTHLY SERVICE CHARGE (Per Customer)	$27.26

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$2.5283
MONTHLY SERVICE CHARGE (Per Customer)	$165.87

GENERAL SERVICE > 50 KW (TIME OF USE)

DISTRIBUTION KW RATE	$0.0000
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

GENERAL SERVICE INTERMEDIATE USE

DISTRIBUTION KW RATE	$0.0000
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

LARGE USE

DISTRIBUTION KW RATE	$1.9045
MONTHLY SERVICE CHARGE (Per Customer)	$5,967.95

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	$14.5590
MONTHLY SERVICE CHARGE (Per Connection)	$1.72

OR

SENTINEL LIGHTS (TIME OF USE)

DISTRIBUTION KW RATE	$0.0000
MONTHLY SERVICE CHARGE (Per Connection)	$0.00

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	$4.7072
MONTHLY SERVICE CHARGE (Per Connection)	$0.30

OR

STREET LIGHTING (TIME OF USE)

DISTRIBUTION KW RATE	$0.0000
MONTHLY SERVICE CHARGE (Per Connection)	$0.00

SPECIFIC SERVICE CHARGES

ADD 2002 OEB APPROVED SPECIFIC SERVICE CHARGES BELOW.
Please enter these charges exactly as they are entered on your current approved rate schedule.
Please add your own specific charges as necessary.

New Account Setup		$ -
Change of Occupancy		$ -
Account History		
Administration Fee		$ -
Current Year Data		$ -
Each Additional Year Data		$ -
Arrear's Certificate		$ -
Late Payment per month, 19.56% annually		1.50%
Returned Cheque		$ 13.00
Collection of Account Charge		$ 7.00
Check Meter		$ 5.00
Disconnect/Reconnect Charges (non payment of account)		
At Meter - During Regular Hours		$ 15.00
At Meter - After Hours		$ 27.00
Transformer Allowance (per kW)		$ 0.60
Temporary Pole Service		$ 50.00
Temporary Service Connection		$ 100.00
After Hours High Voltage Station Outage		$ -
Residential Service 2nd Visit to Connect New Service		$ -
Residential Service After Hours Visit to Connect New Service		$ -
Diversity Adjustment Credit (per KW)	Winter	$ -
(discontinued at Market Opening)	Summer	$ -

SHEET 3 - Calculating Rate Increases using 2002 LDC Data and adding the 4 major 2004 RSVA related Approved Regulatory Assets

NAME OF UTILITY	Waterloo North Hydro Inc.	**LICENCE NUMBER**	ED-2002-0575
NAME OF CONTACT	Albert P. Singh	**PHONE NUMBER**	519-886-5090
E- Mail Address	asingh@wnhydro.on.ca		
VERSION NUMBER	v3 Final		
Date	22-Jan-04		

This schedule requires LDCs to input the 2002 statistics which will be used to allocate Regulatory Assets related to the 4 major RSVA accounts.
The 4 RSVA related accounts will be allocated to the customer classes on the basis of kWh sales.

Enter the Approved Regulatory Asset recovery from Sheet 1 at either cell D57 or D72. $ (644,242.00)
If the total of the 4 major RSVA related Regulatory Assets is less than 25% of the total Regualtory Assets applied for,
enter the additional interim approved amount on Sheet 5.

Use the Table below to enter the 2002 statistics for your LDC.
The share of class kWh sold in 2002 is used to allocate the approved final Regulatory Asset amounts related to the 4 major RSVA accounts.

2002 Statistics by Class	kW	kWh	Number of Customers (Connections)	Distribution Revenues	2002 kWh Shares	2002 Reg. Asset RSVA Allocations
RESIDENTIAL CLASS	-	386,933,262	38,626	$10,625,438.13	30.9%	$ (198,941.90)
GENERAL SERVICE <50 KW CLASS	-	205,694,323	4,977	$3,742,091.99	16.4%	$ (105,757.82)
GENERAL SERVICE >50 KW NON TIME OF USE	1,601,337	556,272,762	655	$5,934,638.64	44.4%	$ (286,007.88)
GENERAL SERVICE >50 KW TIME OF USE	0	0	0	$0.00	0.0%	$ -
INTERMEDIATE USE	0	0	0	$0.00	0.0%	$ -
LARGE USER CLASS	210,893	97,499,355	2	$655,477.40	7.8%	$ (50,129.33)
SENTINEL LIGHTS - O/S	0	0	0	$0.00	0.0%	$ -
STREET LIGHTING CLASS	18,775	6,622,706	11,538	$154,732.60	0.5%	$ (3,405.07)
TOTALS		1,253,022,408	55,798	$21,112,378.76	1.00	$ (644,242.00)
		Allocated Total for 4 major RSVA accounts ==>				$ (644,242.00)

Residential Class

Regulatory Assets will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G22 above)	$ (198,941.90)	$ -	$ (198,941.90)
(B) RETAIL kWh in 2002	386,933,262		
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	($0.000514)		

General Service <50kW Class

Regulatory Assets will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G23 above)	$ (105,757.82)	$ -	$ (105,757.82)
(B) RETAIL kWh in 2002	205,694,323		
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	($0.000514)		

General Service >50kW Class Non TOU

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY	SERVICE CHARGE RECOVERY	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery

		Percentage	Percentage	
		1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G24 above)	$ (286,007.88)	$ -	$ (286,007.88)	
(B) RETAIL KW in 2002	1,601,337			
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	($0.178606)			

General Service >50kW ClassTOU

Regulatory Assets will be recovered only in the distribution kW charge.

		VARIABLE CHARGE RECOVERY	SERVICE CHARGE RECOVERY	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery
		Percentage	Percentage	
		1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G25 above)		$ -	$ -	$ -
(B) RETAIL KW in 2002	0			
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!			

Intermediate Class

Regulatory Assets will be recovered only in the distribution kW charge.

		VARIABLE CHARGE RECOVERY	SERVICE CHARGE RECOVERY	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery
		Percentage	Percentage	
		1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G26 above)		$ -	$ -	$ -
(B) RETAIL KW in 2002	0			
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!			

Large User Class

Regulatory Assets will be recovered only in the distribution kW charge.

		VARIABLE CHARGE RECOVERY	SERVICE CHARGE RECOVERY	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery
		Percentage	Percentage	
		1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G27 above)	$ (50,129.33)	$ -	$ (50,129.33)	
(B) RETAIL KW in 2002	210,893			
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	($0.237700)			

Sentinel Lighting Class

Regulatory Assets will be recovered only in the distribution kW charge.

		VARIABLE CHARGE RECOVERY	SERVICE CHARGE RECOVERY	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery
		Percentage	Percentage	
		1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G28 above)		$ -	$ -	$ -

(B) RETAIL KW in 2002 0

(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) #DIV/0!
(this amount is added to the kW rate shown on Sheet 2 and
the total new rate appears on the Rate Schedule on Sheet 4)

Streetlighting Class

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED 4 RSVA Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED 4 Major RSVA Account Recovery (Total in Cell G29 above)	$ (3,405.07)	$ -	$ (3,405.07)
(B) RETAIL KW in 2002	18,775		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	($0.181362)		

SHEET 4 - 2004 Rates including 2004 Recovery of the 4 Major RSVA Accounts

NAME OF UTILITY	Waterloo North Hydro Inc.	**LICENCE NUMBER**	ED-2002-0575
NAME OF CONTACT	Albert P. Singh	**PHONE NUMBER**	519-886-5090
E- Mail Address	asingh@wnhydro.on.ca		
VERSION NUMBER	v3 Final		
Date	22-Jan-04		

This schedule includes the 2004 distribution rates which have been adjusted for the recovery of the 4 major RSVA accounts.

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.0069
MONTHLY SERVICE CHARGE (Per Customer)	$12.86

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	-$0.0005
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.0060
MONTHLY SERVICE CHARGE (Per Customer)	$27.26

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$2.3497
MONTHLY SERVICE CHARGE (Per Customer)	$165.87

GENERAL SERVICE > 50 KW (TIME OF USE)

DISTRIBUTION KW RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

GENERAL SERVICE INTERMEDIATE USE

DISTRIBUTION KW RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

LARGE USE

DISTRIBUTION KW RATE	$1.6668
MONTHLY SERVICE CHARGE (Per Customer)	$5,967.95

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Connection)	$1.72

OR

SENTINEL LIGHTS (TIME OF USE)

DISTRIBUTION KW RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Connection)	$0.00

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	$4.5258
MONTHLY SERVICE CHARGE (Per Connection)	$0.30

OR

STREET LIGHTING (TIME OF USE)

DISTRIBUTION KW RATE	-$0.1814
MONTHLY SERVICE CHARGE (Per Connection)	$0.00

SHEET 5 - Calculating Rate Increases using 2002 LDC Data and additional Interim Regulatory Assets

NAME OF UTILITY	Waterloo North Hydro Inc.	**LICENCE NUMBER**	ED-2002-0575
NAME OF CONTACT	Albert P. Singh	**PHONE NUMBER**	519-886-5090
E- Mail Address	asingh@wnhydro.on.ca		
VERSION NUMBER	v3 Final		
Date	22-Jan-04		

This schedule replicates the 2002 statistics from Sheet 3 which will be used to allocate interim approved Regulatory Asset amounts required to achieve the 25% threshold. (If the 4 major RSVA accounts do not total to 25% or more of total Reguatory Assets applied for.)

The interim Regulatory Assets will be allocated to the customer classes on the basis of distribution revenue.

Enter the Interim Regulatory Asset recovery from Sheet 1 at cell D76. $ 1,571,519.00

2002 Statistics by Class	kW	kWh	Number of Customers (Connections)	Distribution Revenues	2002 Dist. Rev. Shares	2002 Interim Reg. Asset Allocations
RESIDENTIAL CLASS	-	386,933,262	38,626	$10,625,438.13	50.3%	$ 790,914.09
GENERAL SERVICE <50 KW CLASS	-	205,694,323	4,977	$3,742,091.99	17.7%	$ 278,546.00
GENERAL SERVICE >50 KW NON TIME OF USE	1,601,337	556,272,762	655	$5,934,638.64	28.1%	$ 441,750.19
GENERAL SERVICE >50 KW TIME OF USE	0	0	0	$0.00	0.0%	$ -
INTERMEDIATE USE	0	0	0	$0.00	0.0%	$ -
LARGE USER CLASS	210,893	97,499,355	2	$655,477.40	3.1%	$ 48,791.05
SENTINEL LIGHTS	0	0	0	$0.00	0.0%	$ -
STREET LIGHTING CLASS	18,775	6,622,706	11,538	$154,732.60	0.7%	$ 11,517.66
TOTALS		1,253,022,408	55,798	$21,112,378.76	1.00	$ 1,571,519.00
		Allocated Total for additional interim amounts ==>				$ 1,571,519.00

Residential Class

Regulatory Assets will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G22 above)	$ 790,914.09	$ -	$ 790,914.09
(B) RETAIL kWh in 2002	386,933,262		
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.002044		

General Service <50kW Class

Regulatory Assets will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G23 above)	$ 278,546.00	$ -	$ 278,546.00
(B) RETAIL kWh in 2002	205,694,323		
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.001354		

General Service >50kW Class Non TOU

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G24 above)	$ 441,750.19	$ -	$ 441,750.19
(B) RETAIL KW in 2002	1,601,337		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.275863		

General Service >50kW ClassTOU

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G25 above)	$ -	$ -	$ -
(B) RETAIL KW in 2002	0		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		

Intermediate Class

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G26 above)	$ -	$ -	$ -
(B) RETAIL KW in 2002	0		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		

Large User Class

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G27 above)	$ 48,791.05	$ -	$ 48,791.05
(B) RETAIL KW in 2002	210,893		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.231355		

Sentinel Lighting Class

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G28 above)	$ -	$ -	$ -
(B) RETAIL KW in 2002	0		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		

Streetlighting Class

Regulatory Assets will be recovered only in the distribution kW charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2002 ALLOCATED Interim Regulatory Asset Recovery
	1.000	0.000	100%
(A) ALLOCATED Interim Regulatory Asset Recovery (Total in Cell G29 above)	$ 11,517.66	$ -	$ 11,517.66
(B) RETAIL KW in 2002	18,775		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.613457		

SHEET 6 - 2004 Rates including 2004 Recovery of Interim Regulatory Asset Amounts

NAME OF UTILITY	Waterloo North Hydro Inc.	**LICENCE NUMBER**	ED-2002-0575
NAME OF CONTACT	Albert P. Singh	**PHONE NUMBER**	519-886-5090
E- Mail Address	asingh@wnhydro.on.ca		
VERSION NUMBER	v3 Final		
Date	22-Jan-04		

This schedule includes the 2004 distribution rates which have been adjusted for the recovery of interim Regulatory Asset Amounts if required to achieve the 25% Regulatory Asset threshold.

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.0089
MONTHLY SERVICE CHARGE (Per Customer)	$12.86

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	$0.0015
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.0073
MONTHLY SERVICE CHARGE (Per Customer)	$27.26

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$2.6256
MONTHLY SERVICE CHARGE (Per Customer)	$165.87

GENERAL SERVICE > 50 KW (TIME OF USE)

DISTRIBUTION KW RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

GENERAL SERVICE INTERMEDIATE USE

DISTRIBUTION KW RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

LARGE USE

DISTRIBUTION KW RATE	$1.8981
MONTHLY SERVICE CHARGE (Per Customer)	$5,967.95

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Connection)	$1.72

OR

SENTINEL LIGHTS (TIME OF USE)

DISTRIBUTION KW RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Connection)	$0.00

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	$5.1393
MONTHLY SERVICE CHARGE (Per Connection)	$0.30

OR

STREET LIGHTING (TIME OF USE)

DISTRIBUTION KW RATE	$0.4321
MONTHLY SERVICE CHARGE (Per Connection)	$0.00

SHEET 7 - Calculating Rate Increases using 2002 LDC Data and the 2004 PILs Proxy

NAME OF UTILITY	Waterloo North Hydro Inc.	**LICENCE NUMBER**	ED-2002-0575
NAME OF CONTACT	Albert P. Singh	**PHONE NUMBER**	519-886-5090
E- Mail Address	asingh@wnhydro.on.ca		
VERSION NUMBER	v3 Final		
Date	22-Jan-04		

This schedule replicates the 2002 statistics from Sheet 3 which will be used to allocate the 2004 PILs proxy amount.
The PILS proxy amount is the same amount used for the PILs proxy in 2002.

The 2004 PILs Proxy will be allocated to the customer classes on the basis of distribution revenue.

Enter the 2002 PILs proxy amount as approved by the OEB in 2002 and shown on your 2002 RAM model at Sheet 8. $ 3,370,434.00

2002 Statistics by Class	kW	kWh	Number of Customers (Connections)	Distribution Revenues	2002 Dist. Rev. Shares	2004 PILs Proxy Allocations
RESIDENTIAL CLASS	-	386,933,262	38,626	$10,625,438.13	50.3%	$ 1,696,272.05
GENERAL SERVICE <50 KW CLASS	-	205,694,323	4,977	$3,742,091.99	17.7%	$ 597,397.11
GENERAL SERVICE >50 KW NON TIME OF USE	1,601,337	556,272,762	655	$5,934,638.64	28.1%	$ 947,420.85
GENERAL SERVICE >50 KW TIME OF USE	0	0	0	$0.00	0.0%	$ -
INTERMEDIATE USE	0	0	0	$0.00	0.0%	$ -
LARGE USER CLASS	210,893	97,499,355	2	$655,477.40	3.1%	$ 104,642.08
SENTINEL LIGHTS	0	0	0	$0.00	0.0%	$ -
STREET LIGHTING CLASS	18,775	6,622,706	11,538	$154,732.60	0.7%	$ 24,701.91
TOTALS		1,253,022,408	55,798	$21,112,378.76	1.00	$ 3,370,434.00
		Allocated Total for additional interim amounts ==>				$ 3,370,434.00

Residential Class

The 2004 PILs proxy will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
	1.000	0.000	100%
(A) ALLOCATED 2004 PILs Proxy Recovery (Total in Cell G22 above)	$ 1,696,272.05	$ -	$ 1,696,272.05
(B) RETAIL kWh in 2002	386,933,262		
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.004384		

General Service <50kW Class

The 2004 PILs proxy will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
	1.000	0.000	100%
(A) ALLOCATED 2004 PILs Proxy Recovery (Total in Cell G23 above)	$ 597,397.11	$ -	$ 597,397.11

(B) RETAIL kWh in 2002	205,694,323
(D) ADDITIONAL DISTRIBUTION KWH RATE ($/KWH) (A)/(B) (this amount is added to the kWh rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.002904

General Service >50kW Class Non TOU

The 2004 PILs proxy will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
	1.000	0.000	100%
(A) ALLOCATED 2004 PILs Proxy Recovery (Total in Cell G24 above)	$ 947,420.85	$ -	$ 947,420.85
(B) RETAIL KW in 2002	1,601,337		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.591644		

General Service >50kW ClassTOU

The 2004 PILs proxy will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
	1.000	0.000	100%
(A) ALLOCATED 2004 PILs Proxy Recovery (Total in Cell G25 above)	$ -	$ -	$ -
(B) RETAIL KW in 2002	0		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		

Intermediate Class

The 2004 PILs proxy will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
	1.000	0.000	100%
(A) ALLOCATED 2004 PILs Proxy Recovery (Total in Cell G26 above)	$ -	$ -	$ -
(B) RETAIL KW in 2002	0		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		

Large User Class

The 2004 PILs proxy will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
	1.000	0.000	100%
(A) ALLOCATED 2004 PILs Proxy Recovery (Total in Cell G27 above)	$ 104,642.08	$ -	$ 104,642.08
(B) RETAIL KW in 2002	210,893		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$0.496186		

Sentinel Lighting Class

The 2004 PILs proxy will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
	1.000	0.000	100%
(A) ALLOCATED 2004 PILs Proxy Recovery (Total in Cell G28 above)	$ -	$ -	$ -
(B) RETAIL KW in 2002	0		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	#DIV/0!		

Streetlighting Class

The 2004 PILs proxy will be recovered only in the distribution kWh charge.

	VARIABLE CHARGE RECOVERY Percentage	SERVICE CHARGE RECOVERY Percentage	TOTAL 2004 ALLOCATED PILs Proxy Recovery
	1.000	0.000	100%
(A) ALLOCATED 2004 PILs Proxy Recovery (Total in Cell G29 above)	$ 24,701.91	$ -	$ 24,701.91
(B) RETAIL KW in 2002	18,775		
(D) ADDITIONAL DISTRIBUTION KW RATE ($/KW) (A)/(B) (this amount is added to the kW rate shown on Sheet 2 and the total new rate appears on the Rate Schedule on Sheet 4)	$1.315681		

SHEET 8 - 2004 Rates including Recovery of 2004 PILs

NAME OF UTILITY	Waterloo North Hydro Inc.	**LICENCE NUMBER**	ED-2002-0575
NAME OF CONTACT	Albert P. Singh	**PHONE NUMBER**	519-886-5090
E- Mail Address	asingh@wnhydro.on.ca		
VERSION NUMBER	v3 Final		
Date	22-Jan-04		

This schedule includes the 2004 distribution rates which have been adjusted for the recovery of 2004 PILs.

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.0133
MONTHLY SERVICE CHARGE (Per Customer)	$12.86

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	$0.0059
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.0102
MONTHLY SERVICE CHARGE (Per Customer)	$27.26

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$3.2172
MONTHLY SERVICE CHARGE (Per Customer)	$165.87

GENERAL SERVICE > 50 KW (TIME OF USE)

DISTRIBUTION KW RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

GENERAL SERVICE INTERMEDIATE USE

DISTRIBUTION KW RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Customer)	$0.00

LARGE USE

DISTRIBUTION KW RATE	$2.3943
MONTHLY SERVICE CHARGE (Per Customer)	$5,967.95

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Connection)	$1.72

OR

SENTINEL LIGHTS (TIME OF USE)

DISTRIBUTION KW RATE	#DIV/0!
MONTHLY SERVICE CHARGE (Per Connection)	$0.00

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	$6.4550
MONTHLY SERVICE CHARGE (Per Connection)	$0.30

OR

STREET LIGHTING (TIME OF USE)

DISTRIBUTION KW RATE	$1.7478
MONTHLY SERVICE CHARGE (Per Connection)	$0.00

SHEET 9 - Adjustment to Maintain the Current Service Charge Level

NAME OF UTILITY	Waterloo North Hydro Inc.	**LICENCE NUMBER**	ED-2002-0575
NAME OF CONTACT	Albert P. Singh	**PHONE NUMBER**	519-886-5090
E- Mail Address	asingh@wnhydro.on.ca		
VERSION NUMBER	v3 Final		
Date	22-Jan-04		

This sheet adjusts the resulting fixed Monthly Service Charge to maintain the charge at current levels.
The kWh distribution rate is then adjusted to maintain revenue neutrality in the class.

Input the current approved Monthly Service Charge in the following table at Column E.

2002 Statistics by Class	kW	kWh	Number of Customers (Connections)	Current Approved Fixed Charge
RESIDENTIAL CLASS	-	386,933,262	38,626	$16.21
GENERAL SERVICE <50 KW CLASS	-	205,694,323	4,977	$34.16
GENERAL SERVICE >50 KW NON TIME OF USE	1,601,337	556,272,762	655	$208.00
GENERAL SERVICE >50 KW TIME OF USE	0	0	0	$0.00
INTERMEDIATE USE	0	0	0	$0.00
LARGE USER CLASS	210,893	97,499,355	2	$7,563.93
SENTINEL LIGHTS	0	0	0	$2.16
STREET LIGHTING CLASS	18,775	6,622,706	11,538	$0.37
TOTALS		1,253,022,408	55,798	

Residential Class

Revenue from Current Monthly Service Charge		$7,513,530	
Revenue from Calculated Monthly Service Charge (Sheet 8)		$5,960,764	
Difference		$1,552,765	
Variable Rate Adjustment	$/kWh	$ 0.0040	
Adjusted Variable Rate	$/kWh		$ 0.0093

Residential Class (Time of Use)

Revenue from Current Monthly Service Charge		$7,513,530	
Revenue from Calculated Monthly Service Charge (Sheet 8)		$5,960,764	
Difference		$1,552,765	
Variable Rate Adjustment	$/kWh	$ 0.0040	
Adjusted Variable Rate	$/kWh		$ 0.0019

General Service <50 kW Class

Revenue from Current Monthly Service Charge		$2,040,172	
Revenue from Calculated Monthly Service Charge (Sheet 8)		$1,628,076	
Difference		$412,096	
Variable Rate Adjustment	$/kWh	$ 0.0020	
Adjusted Variable Rate	$/kWh		$ 0.0082

General Service >50 kW Class (Non Time of Use)

Revenue from Current Monthly Service Charge		$1,634,880	
Revenue from Calculated Monthly Service Charge (Sheet 8)		$1,303,738	
Difference		$331,142	

Variable Rate Adjustment	$/kW	$ 0.2068	
Adjusted Variable Rate	$/kW		$ 3.0104

General Service >50 kW Class (Time of Use)

Revenue from Current Monthly Service Charge		$0	
Revenue from Calculated Monthly Service Charge (Sheet 8)		$0	
Difference		$0	
Variable Rate Adjustment	$/kW	#DIV/0!	
Adjusted Variable Rate	$/kW		#DIV/0!

General Service Intermediate Use Class

Revenue from Current Monthly Service Charge		$0	
Revenue from Calculated Monthly Service Charge (Sheet 8)		$0	
Difference		$0	
Variable Rate Adjustment	$/kW	#DIV/0!	
Adjusted Variable Rate	$/kW		#DIV/0!

General Service Large Use Class

Revenue from Current Monthly Service Charge		$181,534	
Revenue from Calculated Monthly Service Charge (Sheet 8)		$143,231	
Difference		$38,304	
Variable Rate Adjustment	$/kW	0.18	
Adjusted Variable Rate	$/kW		$ 2.2127

Sentinal Lights (Non Time of Use)

Revenue from Current Monthly Service Charge		$0	
Revenue from Calculated Monthly Service Charge (Sheet 8)		$0	
Difference		$0	
Variable Rate Adjustment	$/kW	#DIV/0!	
Adjusted Variable Rate	$/kW		#DIV/0!

OR

Sentinal Lights (Time of Use)

Revenue from Current Monthly Service Charge		$0	
Revenue from Calculated Monthly Service Charge (Sheet 8)		$0	
Difference		$0	
Variable Rate Adjustment	$/kW	#DIV/0!	
Adjusted Variable Rate	$/kW		#DIV/0!

Streetlighting (Non Time of Use)

Revenue from Current Monthly Service Charge		$51,229	
Revenue from Calculated Monthly Service Charge (Sheet 8)		$41,537	
Difference		$9,692	
Variable Rate Adjustment	$/kW	0.5162	
Adjusted Variable Rate	$/kW		$ 5.9388

OR

Streetlighting (Time of Use)

Revenue from Current Monthly Service Charge		$51,229	
Revenue from Calculated Monthly Service Charge (Sheet 8)		$0	

Difference		$51,229	
Variable Rate Adjustment	$/kW	2.73	
Adjusted Variable Rate	$/kW		$ (0.9808)

Waterloo North Hydro Inc. **RP-2004-0107**
Schedule of Distribution Rates and Charges **EB-2004-0093**
Effective April 1, 2004 until February 28, 2005

LDCs may amend this schedule to reflect the rate classes that apply in their specific service territory.

RESIDENTIAL

Monthly Service Charge	(per month)	$16.21
Distribution Volumetric Rate	(per kWh)	$0.0093

RESIDENTIAL (Time of Use)

Monthly Service Charge	(per month)	$16.21
Distribution Volumetric Rate	(per kWh)	$0.0019

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	$34.16
Distribution Volumetric Rate	(per kWh)	$0.0082

GENERAL SERVICE > 50 KW (Non Time of Use)

Monthly Service Charge	(per month)	$208.00
Distribution Volumetric Rate	(per kW)	$3.0104

GENERAL SERVICE > 50 KW (Time of Use)

Monthly Service Charge	(per month)	$0.00
Distribution Volumetric Rate	(per kW)	#DIV/0!

GENERAL SERVICE INTERMEDIATE USE

Monthly Service Charge	(per month)	$0.00
Distribution Volumetric Rate	(per kW)	#DIV/0!

LARGE USE

Monthly Service Charge	(per month)	$7,563.93
Distribution Volumetric Rate	(per kW)	$2.2127

SENTINEL LIGHTS (Non Time of Use)

Monthly Service Charge	(per month)	$2.16
Distribution Volumetric Rate	(per kW)	#DIV/0!

SENTINEL LIGHTS (Time of Use)

Monthly Service Charge	(per month)	$2.16
Distribution Volumetric Rate	(per kW)	#DIV/0!

STREET LIGHTING (Non Time of Use)

Monthly Service Charge	(per month)	$0.37
Distribution Volumetric Rate	(per kW)	$5.9388

STREET LIGHTING (Time of Use)

Monthly Service Charge	(per month)	$0.37
Distribution Volumetric Rate	(per kW)	-$0.9808

SPECIFIC SERVICE CHARGES

ADD 2002 OEB APPROVED SPECIFIC SERVICE CHARGES HERE (as on Sheet 2)

New Account Setup	$	-
Change of Occupancy	$	-
Account History	$	-
Administration Fee	$	-
Current Year Data	$	-
Each Additional Year Data	$	-
	$	-
Arrear's Certificate	$	-
Late Payment per month, 19.56% annually	$	0.02
Returned Cheque	$	13.00
Collection of Account Charge	$	7.00
Check Meter	$	5.00
Disconnect/Reconnect Charges (non payment of account)	$	-
At Meter - During Regular Hours	$	15.00
At Meter - After Hours	$	27.00
Transformer Allowance (per kW)	$	0.60
Temporary Pole Service	$	50.00
Temporary Service Connection	$	100.00
After Hours High Voltage Station Outage	$	-
Residential Service 2nd Visit to Connect New Service	$	-
Residential Service After Hours Visit to Connect New Service	$	-

Bill Impact Analysis for 2004 Rate Schedule after Regulatory Asset and 2004 PILs Adjustments

(commodity price constant)

NAME OF UTILITY	Waterloo North Hydro Inc.	**LICENCE NUMBER**	ED-2002-0575
NAME OF CONTACT	Albert P. Singh	**PHONE NUMBER**	519-886-5090
E- Mail Address	asingh@wnhydro.on.ca		
VERSION NUMBER	v3 Final		
Date	22-Jan-04		

This schedule provides an estimate of bill impacts using the 2004 Rate Schedule which includes the Regulatory Asset Recovery and the 2004 PILs amount.
The 2004 bill does not include the new tiered commodity rate that will come into effect on April 1, 2004.

Note: Enter your current kWh rates, not the rates on Sheet 2.

Enter your Current Distribution kWh Charge. Monthly Service Charge is Transferred from Sheet 9

RESIDENTIAL CLASS

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of $0.0107, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0239/kWh. These charges may differ slightly for your utility.
In addition, consumption has not been adjusted for line losses.

	CURRENT 2003 BILL				2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity Price)					
ENTER DESIRED CONSUMPTION LEVEL 100 kWh	**kWh (enter)**	**RATE $/kWh**	**CHARGE $**			**kWh**	**RATE $/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	16.21	MONTHLY SERVICE CHARGE	n/a	n/a	$ 16.21		
DISTRIBUTION kWh	100	0.0093	$	0.93	DISTRIBUTION kWh	100	0.0093	$ 0.93		
OTHER CHARGES kWh	100	0.0239	$	2.39	OTHER CHARGES kWh	100	0.0239	$ 2.39		
COST OF POWER kWh	100	0.0430	$	4.30	COST OF POWER kWh	100	0.0430	$ 4.30		
CURRENT 2003 BILL			$	23.83	Adjusted 2004 BILL			$ 23.83	$ 0.00	0.0%
MONTHLY CONSUMPTION OF 250 kWh	**kWh (enter)**	**RATE $/kWh**	**CHARGE $**			**kWh**	**RATE $/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	16.21	MONTHLY SERVICE CHARGE	n/a	n/a	$ 16.21		
DISTRIBUTION kWh	250	0.0093	$	2.33	DISTRIBUTION kWh	250	0.0093	$ 2.33		
OTHER CHARGES kWh	250	0.0239	$	5.98	OTHER CHARGES kWh	250	0.0239	$ 5.98		
COST OF POWER kWh	250	0.0430	$	10.75	COST OF POWER kWh	250	0.0430	$ 10.75		
CURRENT 2003 BILL			$	35.26	Adjusted 2004 BILL			$ 35.26	$ 0.00	0.0%
MONTHLY CONSUMPTION OF 500 kWh	**kWh (enter)**	**RATE $/kWh**	**CHARGE $**			**kWh**	**RATE $/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	16.21	MONTHLY SERVICE CHARGE	n/a	n/a	$ 16.21		
DISTRIBUTION kWh	500	0.0093	$	4.65	DISTRIBUTION kWh	500	0.0093	$ 4.65		
OTHER CHARGES kWh	500	0.0239	$	11.95	OTHER CHARGES kWh	500	0.0239	$ 11.95		
COST OF POWER kWh	500	0.0430	$	21.50	COST OF POWER kWh	500	0.0430	$ 21.50		
CURRENT 2003 BILL			$	54.31	Adjusted 2004 BILL			$ 54.31	$ 0.00	0.0%
MONTHLY CONSUMPTION OF 750 kWh	**kWh (enter)**	**RATE $/kWh**	**CHARGE $**			**kWh**	**RATE $/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	16.21	MONTHLY SERVICE CHARGE	n/a	n/a	$ 16.21		
DISTRIBUTION kWh	750	0.0093	$	6.98	DISTRIBUTION kWh	750	0.0093	$ 6.98		
OTHER CHARGES kWh	750	0.0239	$	17.93	OTHER CHARGES kWh	750	0.0239	$ 17.93		
COST OF POWER kWh	750	0.0430	$	32.25	COST OF POWER kWh	750	0.0430	$ 32.25		
CURRENT 2003 BILL			$	73.36	Adjusted 2004 BILL			$ 73.36	$ 0.00	0.0%
MONTHLY CONSUMPTION OF 1000 kWh	**kWh (enter)**	**RATE $/kWh**	**CHARGE $**			**kWh**	**RATE $/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	16.21	MONTHLY SERVICE CHARGE	n/a	n/a	$ 16.21		
DISTRIBUTION kWh	1000	0.0093	$	9.30	DISTRIBUTION kWh	1000	0.0093	$ 9.30		
OTHER CHARGES kWh	1000	0.0239	$	23.90	OTHER CHARGES kWh	1000	0.02390	$ 23.90		
COST OF POWER kWh	1000	0.0430	$	43.00	COST OF POWER kWh	1000	0.0430	$ 43.00		

				CURRENT 2003 BILL			$ 92.41	Adjusted 2004 BILL			$ 92.41	$	0.00	0.0%	
MONTHLY CONSUMPTION OF 1500 kWh		**kWh (enter)**	**RATE $/kWh**	**CHARGE $**					**kWh**	**RATE $/kWh**	**CHARGE $**		**IMPACT DOLLARS**	**IMPACT %**	
	MONTHLY SERVICE CHARGE	n/a	n/a	$	16.21		MONTHLY SERVICE CHARGE	n/a	n/a	$	16.21				
	DISTRIBUTION kWh	1500	0.0093	$	13.95		DISTRIBUTION kWh	1500	0.0093	$	13.95				
	OTHER CHARGES kWh	1500	0.0239	$	35.85		OTHER CHARGES kWh	1500	0.0239	$	35.85				
	COST OF POWER kWh	1500	0.0430	$	64.50		COST OF POWER kWh	1500	0.0430	$	64.50				
				CURRENT 2003 BILL			$ 130.51	Adjusted 2004 BILL			$ 130.51	$	0.00	0.0%	
MONTHLY CONSUMPTION OF 2000 kWh		**kWh (enter)**	**RATE $/kWh**	**CHARGE $**					**kWh**	**RATE $/kWh**	**CHARGE $**		**IMPACT DOLLARS**	**IMPACT %**	
	MONTHLY SERVICE CHARGE	n/a	n/a	$	16.21		MONTHLY SERVICE CHARGE	n/a	n/a	$	16.21				
	DISTRIBUTION kWh	2000	0.0093	$	18.60		DISTRIBUTION kWh	2000	0.0093	$	18.60				
	OTHER CHARGES kWh	2000	0.0239	$	47.80		OTHER CHARGES kWh	2000	0.0239	$	47.80				
	COST OF POWER kWh	2000	0.0430	$	86.00		COST OF POWER kWh	2000	0.0430	$	86.00				
				CURRENT 2003 BILL			$ 168.61	Adjusted 2004 BILL			$ 168.61	$	0.00	0.0%	

GENERAL SERVICE < 50 KW

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of $0.0097, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0229/kWh. These charges may differ slightly for your utility.
In addition, consumption has not been adjusted for line losses.

		CURRENT 2003 BILL						**2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity Price)**							
ENTER DESIRED CONSUMPTION LEVEL															
1000 kWh		**kWh (enter)**	**RATE $/kWh**	**CHARGE $**					**kWh**	**RATE $/kWh**	**CHARGE $**		**IMPACT DOLLARS**	**IMPACT %**	
	MONTHLY SERVICE CHARGE	n/a	n/a		$34.16		MONTHLY SERVICE CHARGE	n/a	n/a	$	34.16				
	DISTRIBUTION kWh	1000	0.0081	$	8.10		DISTRIBUTION kWh	1000	0.0082	$	8.24				
	OTHER CHARGES kWh	1000	0.0229	$	22.90		OTHER CHARGES kWh	1000	0.0229	$	22.90				
	COST OF POWER kWh	1000	0.0430	$	43.00		COST OF POWER kWh	1000	0.0430	$	43.00				
				CURRENT 2003 BILL			$ 108.16	Adjusted 2004 BILL			$ 108.30	$	0.14	0.1%	
MONTHLY CONSUMPTION 2000 kWh		**kWh (enter)**	**RATE $/kWh**	**CHARGE $**					**kWh**	**RATE $/kWh**	**CHARGE $**		**IMPACT DOLLARS**	**IMPACT %**	
	MONTHLY SERVICE CHARGE	n/a	n/a	$	34.16		MONTHLY SERVICE CHARGE	n/a	n/a	$	34.16				
	DISTRIBUTION kWh	2000	0.0081	$	16.20		DISTRIBUTION kWh	2000	0.0082	$	16.48				
	OTHER CHARGES kWh	2000	0.0229	$	45.80		OTHER CHARGES kWh	2000	0.0229	$	45.80				
	COST OF POWER kWh	2000	0.0430	$	86.00		COST OF POWER kWh	2000	0.0430	$	86.00				
				CURRENT 2003 BILL			$ 182.16	Adjusted 2004 BILL			$ 182.44	$	0.28	0.2%	
MONTHLY CONSUMPTION 5000 kWh		**kWh (enter)**	**RATE $/kWh**	**CHARGE $**					**kWh**	**RATE $/kWh**	**CHARGE $**		**IMPACT DOLLARS**	**IMPACT %**	
	MONTHLY SERVICE CHARGE	n/a	n/a	$	34.16		MONTHLY SERVICE CHARGE	n/a	n/a	$	34.16				
	DISTRIBUTION kWh	5000	0.0081	$	40.50		DISTRIBUTION kWh	5000	0.0082	$	41.20				
	OTHER CHARGES kWh	5000	0.0229	$	114.50		OTHER CHARGES kWh	5000	0.0229	$	114.50				
	COST OF POWER kWh	5000	0.0430	$	215.00		COST OF POWER kWh	5000	0.0430	$	215.00				
				CURRENT 2003 BILL			$ 404.16	Adjusted 2004 BILL			$ 404.86	$	0.70	0.2%	
MONTHLY CONSUMPTION 10,000 kWh		**kWh (enter)**	**RATE $/kWh**	**CHARGE $**					**kWh**	**RATE $/kWh**	**CHARGE $**		**IMPACT DOLLARS**	**IMPACT %**	
	MONTHLY SERVICE CHARGE	n/a	n/a	$	34.16		MONTHLY SERVICE CHARGE	n/a	n/a	$	34.16				

DISTRIBUTION kWh	10000	0.0081	$	81.00	DISTRIBUTION kWh	10000	0.0082	$	82.41					
OTHER CHARGES kWh	10000	0.0229	$	229.00	OTHER CHARGES kWh	10000	0.0229	$	229.00					
COST OF POWER kWh	10000	0.0430	$	430.00	COST OF POWER kWh	10000	0.0430	$	430.00					
CURRENT 2003 BILL			$	774.16	Adjusted 2004 BILL			$	775.57	$	1.41	0.2%		

MONTHLY CONSUMPTION 15,000 KWh	**kWh (enter)**	**RATE $/kWh**	**CHARGE $**			**kWh**	**RATE $/kWh**	**CHARGE $**		**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	34.16	MONTHLY SERVICE CHARGE	n/a	n/a	$	34.16		
DISTRIBUTION kWh	15000	0.0081	$	121.50	DISTRIBUTION kWh	15000	0.0082	$	123.61		
OTHER CHARGES kWh	15000	0.0229	$	343.50	OTHER CHARGES kWh	15000	0.0229	$	343.50		
COST OF POWER kWh	15000	0.0430	$	645.00	COST OF POWER kWh	15000	0.0430	$	645.00		
CURRENT 2003 BILL			$	1,144.16	Adjusted 2004 BILL			$	1,146.27	$ 2.11	0.2%

GENERAL SERVICE > 50 KW NON TIME OF USE

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of $3.91/kW, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0132/kWh. These charges may differ slightly for your utility.
Cost of Power is estimated to be 5.5 cents/kWh based on the estimate included in the Market Surveillance Panel Market Report of December 17, 2003. You may have more accurate estimates for your utility. Consumption has not been adjusted for line losses.

CURRENT 2003 BILL | **2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity Price)**

ENTER DESIRED CONSUMPTION LEVEL

	kW/kWh (enter)	**RATE $kW/kWh**	**CHARGE $**			**kW/kWh**	**RATE $kW/kWh**	**CHARGE $**		**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a		$208.00	MONTHLY SERVICE CHARGE	n/a	n/a	$	208.00		
DISTRIBUTION kW	60	3.1776	$	190.66	DISTRIBUTION kW	60	3.0104	$	180.62		
OTHER CHARGES kW	60	3.9100	$	234.60	OTHER CHARGES kW	60	3.9100	$	234.60		
OTHER CHARGES kWh	15,000	0.0132	$	198.00	OTHER CHARGES kWh	15,000	0.0132	$	198.00		
COST OF POWER kWh	15,000	0.0550	$	825.00	COST OF POWER kWh	15,000	0.0550	$	825.00		
CURRENT 2003 BILL			$	1,656.26	Adjusted 2004 BILL			$	1,646.22	$ (10.03)	-0.6%

MONTHLY CONSUMPTION 100kW, 40,000kWh	**kW/kWh (enter)**	**RATE $kW/kWh**	**CHARGE $**			**kW/kWh**	**RATE $kW/kWh**	**CHARGE $**		**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	208.00	MONTHLY SERVICE CHARGE	n/a	n/a	$	208.00		
DISTRIBUTION kW	100	3.1776	$	317.76	DISTRIBUTION kW	100	3.0104	$	301.04		
OTHER CHARGES kW	100	3.9100	$	391.00	OTHER CHARGES kW	100	3.9100	$	391.00		
OTHER CHARGES kWh	40,000	0.0132	$	528.00	OTHER CHARGES kWh	40,000	0.0132	$	528.00		
COST OF POWER kWh	40,000	0.0550	$	2,200.00	COST OF POWER kWh	40,000	0.0550	$	2,200.00		
CURRENT 2003 BILL			$	3,644.76	Adjusted 2004 BILL			$	3,628.04	$ (16.72)	-0.5%

MONTHLY CONSUMPTION 500kW, 100,000kWh	**kW/kWh (enter)**	**RATE $kW/kWh**	**CHARGE $**			**kW/kWh**	**RATE $kW/kWh**	**CHARGE $**		**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	208.00	MONTHLY SERVICE CHARGE	n/a	n/a	$	208.00		
DISTRIBUTION kW	500	3.1776	$	1,588.80	DISTRIBUTION kW	500	3.0104	$	1,505.21		
OTHER CHARGES kW	500	3.9100	$	1,955.00	OTHER CHARGES kW	500	3.9100	$	1,955.00		
OTHER CHARGES kWh	100,000	0.0132	$	1,320.00	OTHER CHARGES kWh	100,000	0.0132	$	1,320.00		
COST OF POWER kWh	100,000	0.0550	$	5,500.00	COST OF POWER kWh	100,000	0.0550	$	5,500.00		
CURRENT 2003 BILL			$	10,571.80	Adjusted 2004 BILL			$	10,488.21	$ (83.59)	-0.8%

MONTHLY CONSUMPTION 1000kW, 400,000kWh	**kW/kWh (enter)**	**RATE $kW/kWh**	**CHARGE $**			**kW/kWh**	**RATE $kW/kWh**	**CHARGE $**		**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	208.00	MONTHLY SERVICE CHARGE	n/a	n/a	$	208.00		
DISTRIBUTION kW	1000	3.1776	$	3,177.60	DISTRIBUTION kW	1000	3.0104	$	3,010.41		
OTHER CHARGES kW	1000	3.9100	$	3,910.00	OTHER CHARGES kW	1000	3.9100	$	3,910.00		

OTHER CHARGES kWh	400,000	0.0132	$	5,280.00	OTHER CHARGES kWh	400,000	0.0132	$	5,280.00		
COST OF POWER kWh	400,000	0.0550	$	22,000.00	COST OF POWER kWh	400,000	0.0550	$	22,000.00		
CURRENT 2003 BILL			$	34,575.60	Adjusted 2004 BILL			$	34,408.41	$ (167.19)	-0.5%

MONTHLY CONSUMPTION 3,000kW, 1,000,000kWh	**kW/kWh (enter)**	**RATE $kW/kWh**	**CHARGE $**		**kW/kWh**	**RATE $kW/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	208.00	MONTHLY SERVICE CHARGE	n/a	n/a	$ 208.00		
DISTRIBUTION kW	3000	3.1776	$	9,532.80	DISTRIBUTION kW	3000	3.0104	$ 9,031.23		
OTHER CHARGES kW	3000	3.9100	$	11,730.00	OTHER CHARGES kW	3000	3.9100	$ 11,730.00		
OTHER CHARGES kWh	1,000,000	0.0132	$	13,200.00	OTHER CHARGES kWh	1,000,000	0.0132	$ 13,200.00		
COST OF POWER kWh	1,000,000	0.0550	$	55,000.00	COST OF POWER kWh	1,000,000	0.0550	$ 55,000.00		
CURRENT 2003 BILL			$	89,670.80	Adjusted 2004 BILL			$ 89,169.23	$ (501.57)	-0.6%

MONTHLY CONSUMPTION 4,000kW, 1,800,000kWh	**kW/kWh (enter)**	**RATE $kW/kWh**	**CHARGE $**		**kW/kWh**	**RATE $kW/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	208.00	MONTHLY SERVICE CHARGE	n/a	n/a	$ 208.00		
DISTRIBUTION kW	4000	3.1776	$	12,710.40	DISTRIBUTION kW	4000	3.01041	$ 12,041.64		
OTHER CHARGES kW	4000	3.9100	$	15,640.00	OTHER CHARGES kW	4000	3.9100	$ 15,640.00		
OTHER CHARGES kWh	1,800,000	0.0132	$	23,760.00	OTHER CHARGES kWh	1,800,000	0.0132	$ 23,760.00		
COST OF POWER kWh	1,800,000	0.0550	$	99,000.00	COST OF POWER kWh	1,800,000	0.0550	$ 99,000.00		
CURRENT 2003 BILL			$	151,318.40	Adjusted 2004 BILL			$ 150,649.64	$ (668.76)	-0.4%

GENERAL SERVICE >50 KW TIME OF USE

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of $4.2138/kW, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0132/kWh. These charges may differ slightly for your utility.
Cost of Power is estimated to be 5.5 cents/kWh based on the estimate included in the Market Surveillance Panel Market Report of December 17, 2003. You may have more accurate estimates for your utility.
Consumption has not been adjusted for line losses.

CURRENT 2003 BILL | **2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity Price)**

ENTER DESIRED CONSUMPTION LEVEL

	kW/kWh (enter)	**RATE $kW/kWh**	**CHARGE $**		**kW/kWh**	**RATE $kW/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a		$0.00	MONTHLY SERVICE CHARGE	n/a	n/a	$ -		
DISTRIBUTION kW	60	0.0000	$	-	DISTRIBUTION kW	60	#DIV/0!	#DIV/0!		
OTHER CHARGES kW	60	4.2138	$	252.83	OTHER CHARGES kW	60	4.2138	$ 252.83		
OTHER CHARGES kWh	15,000	0.0132	$	198.00	OTHER CHARGES kWh	15,000	0.0132	$ 198.00		
COST OF POWER kWh	15,000	0.0550	$	825.00	COST OF POWER kWh	15,000	0.0550	$ 825.00		
CURRENT 2003 BILL			$	1,275.83	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION 100kW, 40,000kWh	**kW/kWh (enter)**	**RATE $kW/kWh**	**CHARGE $**		**kW/kWh**	**RATE $kW/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	-	MONTHLY SERVICE CHARGE	n/a	n/a	$ -		
DISTRIBUTION kW	100	0.0000	$	-	DISTRIBUTION kW	100	#DIV/0!	#DIV/0!		
OTHER CHARGES kW	100	4.2138	$	421.38	OTHER CHARGES kW	100	4.2138	$ 421.38		
OTHER CHARGES kWh	40,000	0.0132	$	528.00	OTHER CHARGES kWh	40,000	0.0132	$ 528.00		
COST OF POWER kWh	40,000	0.0550	$	2,200.00	COST OF POWER kWh	40,000	0.0550	$ 2,200.00		
CURRENT 2003 BILL			$	3,149.38	Adjusted 2004 BILL			#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION 500kW, 100,000kWh	**kW/kWh (enter)**	**RATE $kW/kWh**	**CHARGE $**		**kW/kWh**	**RATE $kW/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	-	MONTHLY SERVICE CHARGE	n/a	n/a	$ -		
DISTRIBUTION kW	500	0.0000	$	-	DISTRIBUTION kW	500	#DIV/0!	#DIV/0!		
OTHER CHARGES kW	500	4.2138	$	2,106.90	OTHER CHARGES kW	500	4.2138	$ 2,106.90		

	OTHER CHARGES kWh	100,000	0.0132	$	1,320.00	OTHER CHARGES kWh	100,000	0.0132	$	1,320.00		
	COST OF POWER kWh	100,000	0.0550	$	5,500.00	COST OF POWER kWh	100,000	0.0550	$	5,500.00		
	CURRENT 2003 BILL			$	8,926.90	Adjusted 2004 BILL			$	#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION 1000kW, 400,000kWh		**kW/kWh (enter)**	**RATE $kW/kWh**	**CHARGE $**			**kW/kWh**	**RATE $kW/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$	-	MONTHLY SERVICE CHARGE	n/a	n/a	$	-		
	DISTRIBUTION kW	1000	0.0000	$	-	DISTRIBUTION kW	1000	#DIV/0!		#DIV/0!		
	OTHER CHARGES kW	1000	4.2138	$	4,213.80	OTHER CHARGES kW	1000	4.2138	$	4,213.80		
	OTHER CHARGES kWh	400,000	0.0132	$	5,280.00	OTHER CHARGES kWh	400,000	0.0132	$	5,280.00		
	COST OF POWER kWh	400,000	0.0550	$	22,000.00	COST OF POWER kWh	400,000	0.0550	$	22,000.00		
	CURRENT 2003 BILL			$	31,493.80	Adjusted 2004 BILL			$	#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION 3,000kW, 1,000,000kWh		**kW/kWh (enter)**	**RATE $kW/kWh**	**CHARGE $**			**kW/kWh**	**RATE $kW/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$	-	MONTHLY SERVICE CHARGE	n/a	n/a	$	-		
	DISTRIBUTION kW	3000	0.0000	$	-	DISTRIBUTION kW	3000	#DIV/0!		#DIV/0!		
	OTHER CHARGES kW	3000	4.2138	$	12,641.40	OTHER CHARGES kW	3000	4.2138	$	12,641.40		
	OTHER CHARGES kWh	1,000,000	0.0132	$	13,200.00	OTHER CHARGES kWh	1,000,000	0.0132	$	13,200.00		
	COST OF POWER kWh	1,000,000	0.0550	$	55,000.00	COST OF POWER kWh	1,000,000	0.0550	$	55,000.00		
	CURRENT 2003 BILL			$	80,841.40	Adjusted 2004 BILL			$	#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION 4,000kW, 1,800,000kWh		**kW/kWh (enter)**	**RATE $kW/kWh**	**CHARGE $**			**kW/kWh**	**RATE $kW/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$	-	MONTHLY SERVICE CHARGE	n/a	n/a	$	-		
	DISTRIBUTION kW	4000	0.0000	$	-	DISTRIBUTION kW	4000	#DIV/0!		#DIV/0!		
	OTHER CHARGES kW	4000	4.2138	$	16,855.20	OTHER CHARGES kW	4000	4.2138	$	16,855.20		
	OTHER CHARGES kWh	1,800,000	0.0132	$	23,760.00	OTHER CHARGES kWh	1,800,000	0.0132	$	23,760.00		
	COST OF POWER kWh	1,800,000	0.0550	$	99,000.00	COST OF POWER kWh	1,800,000	0.0550	$	99,000.00		
	CURRENT 2003 BILL			$	139,615.20	Adjusted 2004 BILL			$	#DIV/0!	#DIV/0!	#DIV/0!

GENERAL SERVICE INTERMEDIATE CLASS

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of $4.2138/kW, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0132/kWh. These charges may differ slightly for your utility.
Cost of Power is estimated to be 5.5 cents/kWh based on the estimate included in the Market Surveillance Panel Market Report of December 17, 2003. You may have more accurate estimates for your utility. Consumption has not been adjusted for line losses.

CURRENT 2003 BILL | **2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity Price)**

ENTER DESIRED CONSUMPTION LEVEL

MONTHLY CONSUMPTION		**kW/kWh (enter)**	**RATE $kW/kWh**	**CHARGE $**			**kW/kWh**	**RATE $kW/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a		$0.00	MONTHLY SERVICE CHARGE	n/a	n/a	$	-		
3000kW, 800,000 kWh	DISTRIBUTION kW	3000	0.0000	$	-	DISTRIBUTION kW	3000	#DIV/0!		#DIV/0!		
	OTHER CHARGES kW	3000	4.2138	$	12,641.40	OTHER CHARGES kW	3000	4.2138	$	12,641.40		
	OTHER CHARGES kWh	800,000	0.0132	$	10,560.00	OTHER CHARGES kWh	800,000	0.0132	$	10,560.00		
	COST OF POWER kWh	800,000	0.0550	$	44,000.00	COST OF POWER kWh	800,000	0.0550	$	44,000.00		
	CURRENT 2003 BILL			$	67,201.40	Adjusted 2004 BILL			$	#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION 3000kW, 1,000,000kWh		**kW/kWh (enter)**	**RATE $kW/kWh**	**CHARGE $**			**kW/kWh**	**RATE $kW/kWh**	**CHARGE $**	**IMPACT DOLLARS**	**IMPACT %**
	MONTHLY SERVICE CHARGE	n/a	n/a	$	-	MONTHLY SERVICE CHARGE	n/a	n/a	$	-		
	DISTRIBUTION kW	3000	0.0000	$	-	DISTRIBUTION kW	3000	#DIV/0!		#DIV/0!		

	OTHER CHARGES kW	3000	4.2138	$	12,641.40	OTHER CHARGES kW	3000	4.2138	$	12,641.40					
	OTHER CHARGES kWh	1,000,000	0.0132	$	13,200.00	OTHER CHARGES kWh	1,000,000	0.0132	$	13,200.00					
	COST OF POWER kWh	1,000,000	0.0550	$	55,000.00	COST OF POWER kWh	1,000,000	0.0550	$	55,000.00					
	CURRENT 2003 BILL			$	80,841.40	Adjusted 2004 BILL				#DIV/0!		#DIV/0!		#DIV/0!	
MONTHLY CONSUMPTION 4000kW, 1,200,000kWh		**kW/kWh (enter)**	**RATE $kW/kWh**	**CHARGE $**			**kW/kWh**	**RATE $kW/kWh**	**CHARGE $**		**IMPACT DOLLARS**	**IMPACT %**			
	MONTHLY SERVICE CHARGE	n/a	n/a	$	-	MONTHLY SERVICE CHARGE	n/a	n/a	$	-					
	DISTRIBUTION kW	4000	0.0000	$	-	DISTRIBUTION kW	4000	#DIV/0!		#DIV/0!					
	OTHER CHARGES kW	4000	4.2138	$	16,855.20	OTHER CHARGES kW	4000	4.2138	$	16,855.20					
	OTHER CHARGES kWh	1,200,000	0.0132	$	15,840.00	OTHER CHARGES kWh	1,200,000	0.0132	$	15,840.00					
	COST OF POWER kWh	1,200,000	0.0550	$	66,000.00	COST OF POWER kWh	1,200,000	0.0550	$	66,000.00					
	CURRENT 2003 BILL			$	98,695.20	Adjusted 2004 BILL				#DIV/0!		#DIV/0!		#DIV/0!	
MONTHLY CONSUMPTION 4000kW, 1,800,000kWh		**kW/kWh (enter)**	**RATE $kW/kWh**	**CHARGE $**			**kW/kWh**	**RATE $kW/kWh**	**CHARGE $**		**IMPACT DOLLARS**	**IMPACT %**			
	MONTHLY SERVICE CHARGE	n/a	n/a	$	-	MONTHLY SERVICE CHARGE	n/a	n/a	$	-					
	DISTRIBUTION kW	4000	0.0000	$	-	DISTRIBUTION kW	4000	#DIV/0!		#DIV/0!					
	OTHER CHARGES kW	4000	4.2138	$	16,855.20	OTHER CHARGES kW	4000	4.2138	$	16,855.20					
	OTHER CHARGES kWh	1,800,000	0.0132	$	23,760.00	OTHER CHARGES kWh	1,800,000	0.0132	$	23,760.00					
	COST OF POWER kWh	1,800,000	0.0550	$	99,000.00	COST OF POWER kWh	1,800,000	0.0550	$	99,000.00					
	CURRENT 2003 BILL			$	139,615.20	Adjusted 2004 BILL				#DIV/0!		#DIV/0!		#DIV/0!	

LARGE USE CLASS

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of $4.7369/kW, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0132/kWh. These charges may differ slightly for your utility.
Cost of Power is estimated to be 5 cents/kWh based on the estimate included in the Market Surveillance Panel Market Report of December 17, 2003. You may have more accurate estimates for your utility.
Consumption has not been adjusted for line losses.

CURRENT 2003 BILL | **2004 BILL (25% of Regulatory Assets, 2004 PILs & Constant Commodity Price)**

ENTER DESIRED CONSUMPTION LEVEL

MONTHLY CONSUMPTION		**kW/kWh (enter)**	**RATE $kW/kWh**	**CHARGE $**			**kW/kWh**	**RATE $kW/kWh**	**CHARGE $**		**IMPACT DOLLARS**	**IMPACT %**			
	MONTHLY SERVICE CHARGE	n/a	n/a		$7,563.93	MONTHLY SERVICE CHARGE	n/a	n/a	$	7,563.93					
6000kW, 2,800,000 kWh	DISTRIBUTION kW	6000	2.3861	$	14,316.60	DISTRIBUTION kW	6000	2.2127	$	13,276.22					
	OTHER CHARGES kW	6000	4.7369	$	28,421.40	OTHER CHARGES kW	6000	4.7369	$	28,421.40					
	OTHER CHARGES kWh	2,800,000	0.0132	$	36,960.00	OTHER CHARGES kWh	2,800,000	0.0132	$	36,960.00					
	COST OF POWER kWh	2,800,000	0.0500	$	140,000.00	COST OF POWER kWh	2,800,000	0.0500	$	140,000.00					
	CURRENT 2003 BILL			$	227,261.93	Adjusted 2004 BILL			$	226,221.55	$	(1,040.38)		-0.5%	
MONTHLY CONSUMPTION 15000kW, 10,000,000kWh		**kW/kWh (enter)**	**RATE $kW/kWh**	**CHARGE $**			**kW/kWh**	**RATE $kW/kWh**	**CHARGE $**		**IMPACT DOLLARS**	**IMPACT %**			
	MONTHLY SERVICE CHARGE	n/a	n/a	$	7,563.93	MONTHLY SERVICE CHARGE	n/a	n/a	$	7,563.93					
	DISTRIBUTION kW	15000	2.3861	$	35,791.50	DISTRIBUTION kW	15000	2.2127	$	33,190.54					
	OTHER CHARGES kW	15000	4.7369	$	71,053.50	OTHER CHARGES kW	15000	4.7369	$	71,053.50					
	OTHER CHARGES kWh	10,000,000	0.0132	$	132,000.00	OTHER CHARGES kWh	10,000,000	0.0132	$	132,000.00					
	COST OF POWER kWh	10,000,000	0.0500	$	500,000.00	COST OF POWER kWh	10,000,000	0.0500	$	500,000.00					
	CURRENT 2003 BILL			$	746,408.93	Adjusted 2004 BILL			$	743,807.97	$	(2,600.96)		-0.3%	

Bill Impact Analysis for 2004 Rate Schedule after Regulatory Asset and 2004 PILs Adjustments

(commodity price increase on April 1, 2004)

NAME OF UTILITY	Waterloo North Hydro Inc.	**LICENCE NUMBER**	ED-2002-0575
NAME OF CONTACT	Albert P. Singh	**PHONE NUMBER**	519-886-5090
E- Mail Address	asingh@wnhydro.on.ca		
VERSION NUMBER	v3 Final		
Date	22-Jan-04		

This schedule provides an estimate of bill impacts using the 2004 Rate Schedule which includes the Regulatory Asset Recovery and the 2004 PILs amount.
The 2004 bill also includes the new tiered commodity rate that will come into effect on April 1, 2004.

Note: All Rates are transferred from Sheets 10 and 11.

RESIDENTIAL CLASS

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of $0.0107, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0239/kWh. These charges may differ slightly for your utility.
In addition, consumption has not been adjusted for line losses.

NON-TIME OF USE

CURRENT 2003 BILL

ENTER DESIRED CONSUMPTION LEVEL		kWh (enter)	RATE $/kWh		CHARGE $
100 kWh					
	MONTHLY SERVICE CHARGE	n/a	n/a	$	16.21
	DISTRIBUTION kWh	100	0.0093	$	0.93
	OTHER CHARGES kWh	100	0.0239	$	2.39
	COST OF POWER kWh	100	0.0430	$	4.30
	CURRENT 2003 BILL			$	23.83
250 kWh					
	MONTHLY SERVICE CHARGE	n/a	n/a	$	16.21
	DISTRIBUTION kWh	250	0.0093	$	2.33
	OTHER CHARGES kWh	250	0.0239	$	5.98
	COST OF POWER kWh	250	0.0430	$	10.75
	CURRENT 2003 BILL			$	35.26
500 kWh					
	MONTHLY SERVICE CHARGE	n/a	n/a	$	16.21
	DISTRIBUTION kWh	500	0.0093	$	4.65
	OTHER CHARGES kWh	500	0.0239	$	11.95
	COST OF POWER kWh	500	0.0430	$	21.50
	CURRENT 2003 BILL			$	54.31
750 kWh					
	MONTHLY SERVICE CHARGE	n/a	n/a	$	16.21
	DISTRIBUTION kWh	750	0.0093	$	6.98
	OTHER CHARGES kWh	750	0.0239	$	17.93
	COST OF POWER kWh	750	0.0430	$	32.25
	CURRENT 2003 BILL			$	73.36
1000 kWh					
	MONTHLY SERVICE CHARGE	n/a	n/a	$	16.21
	DISTRIBUTION kWh	1000	0.0093	$	9.30
	OTHER CHARGES kWh	1000	0.0239	$	23.90
	COST OF POWER kWh	1000	0.0430	$	43.00

2004 BILL (25% of Regulatory Assets, 2004 PILs & Tiered Commodity Price)

		kWh	RATE $/kWh		CHARGE $	IMPACT DOLLARS	IMPACT %
	MONTHLY SERVICE CHARGE	n/a	n/a	$	16.21		
	DISTRIBUTION kWh	100	0.0093	$	0.93		
	OTHER CHARGES kWh	100	0.0239	$	2.39		
	COST OF POWER kWh	100	0.0470	$	4.70		
	Adjusted 2004 BILL			$	24.23	$ 0.40	1.7%
	MONTHLY SERVICE CHARGE	n/a	n/a	$	16.21		
	DISTRIBUTION kWh	250	0.0093	$	2.33		
	OTHER CHARGES kWh	250	0.0239	$	5.98		
	COST OF POWER kWh	250	0.0470	$	11.75		
	Adjusted 2004 BILL			$	36.26	$ 1.00	2.8%
	MONTHLY SERVICE CHARGE	n/a	n/a	$	16.21		
	DISTRIBUTION kWh	500	0.0093	$	4.65		
	OTHER CHARGES kWh	500	0.0239	$	11.95		
	COST OF POWER kWh	500	0.0470	$	23.50		
	Adjusted 2004 BILL			$	56.31	$ 2.00	3.7%
	MONTHLY SERVICE CHARGE	n/a	n/a	$	16.21		
	DISTRIBUTION kWh	750	0.0093	$	6.98		
	OTHER CHARGES kWh	750	0.0239	$	17.93		
	COST OF POWER kWh	750	0.0470	$	35.25		
	Adjusted 2004 BILL			$	76.36	$ 3.00	4.1%
	MONTHLY SERVICE CHARGE	n/a	n/a	$	16.21		
	DISTRIBUTION kWh	1000	0.0093	$	9.30		
	OTHER CHARGES kWh	1000	0.02390	$	23.90		
	COST OF POWER kWh	750	0.0470	$	35.25		
	COST OF POWER kWh	250	0.0550	$	13.75		

	CURRENT 2003 BILL			$ 92.41	Adjusted 2004 BILL			$ 98.41	$ 6.00	6.5%			
MONTHLY CONSUMPTION OF 1500 kWh		**kWh (enter)**	**RATE $/kWh**	**CHARGE $**			**kWh**	**RATE $/kWh**	**CHARGE $**		**IMPACT DOLLARS**	**IMPACT %**	
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 16.21	MONTHLY SERVICE CHARGE	n/a	n/a	$ 16.21					
	DISTRIBUTION kWh	1500	0.0093	$ 13.95	DISTRIBUTION kWh	1500	0.0093	$ 13.95					
	OTHER CHARGES kWh	1500	0.0239	$ 35.85	OTHER CHARGES kWh	1500	0.0239	$ 35.85					
	COST OF POWER kWh	1500	0.0430	$ 64.50	COST OF POWER kWh	750	0.0470	$ 35.25					
					COST OF POWER kWh	750	0.0550	$ 41.25					
	CURRENT 2003 BILL			$ 130.51	Adjusted 2004 BILL			$ 142.51	$ 12.00	9.2%			
MONTHLY CONSUMPTION OF 2000 kWh		**kWh (enter)**	**RATE $/kWh**	**CHARGE $**			**kWh**	**RATE $/kWh**	**CHARGE $**		**IMPACT DOLLARS**	**IMPACT %**	
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 16.21	MONTHLY SERVICE CHARGE	n/a	n/a	$ 16.21					
	DISTRIBUTION kWh	2000	0.0093	$ 18.60	DISTRIBUTION kWh	2000	0.0093	$ 18.60					
	OTHER CHARGES kWh	2000	0.0239	$ 47.80	OTHER CHARGES kWh	2000	0.0239	$ 47.80					
	COST OF POWER kWh	2000	0.0430	$ 86.00	COST OF POWER kWh	750	0.0470	$ 35.25					
					COST OF POWER kWh	1250	0.0550	$ 68.75					
	CURRENT 2003 BILL			$ 168.61	Adjusted 2004 BILL			$ 186.61	$ 18.00	10.7%			

GENERAL SERVICE < 50 KW

For the purpose of this estimate, **Other Charges** include Retail Transmission Rate of $0.0097, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0229/kWh. These charges may differ slightly for your utility.
In addition, consumption has not been adjusted for line losses.

	CURRENT 2003 BILL				**2004 BILL (25% of Regulatory Assets, 2004 PILs & Tiered Commodity Price)**								
MONTHLY CONSUMPTION OF 1000 kWh		**kWh (enter)**	**RATE $/kWh**	**CHARGE $**			**kWh**	**RATE $/kWh**	**CHARGE $**		**IMPACT DOLLARS**	**IMPACT %**	
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 34.16	MONTHLY SERVICE CHARGE	n/a	n/a	$ 34.16					
	DISTRIBUTION kWh	1000	0.0081	$ 8.10	DISTRIBUTION kWh	1000	0.00824	$ 8.24					
	OTHER CHARGES kWh	1000	0.0229	$ 22.90	OTHER CHARGES kWh	1000	0.0229	$ 22.90					
	COST OF POWER kWh	1000	0.0430	$ 43.00	COST OF POWER kWh	750	0.0470	$ 35.25					
					COST OF POWER kWh	250	0.0550	$ 13.75					
	CURRENT 2003 BILL			$ 108.16	Adjusted 2004 BILL			$ 114.30	$ 6.14	5.7%			
MONTHLY CONSUMPTION OF 2000 kWh		**kWh (enter)**	**RATE $/kWh**	**CHARGE $**			**kWh**	**RATE $/kWh**	**CHARGE $**		**IMPACT DOLLARS**	**IMPACT %**	
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 34.16	MONTHLY SERVICE CHARGE	n/a	n/a	$ 34.16					
	DISTRIBUTION kWh	2000	0.0081	$ 16.20	DISTRIBUTION kWh	2000	0.0082	$ 16.48					
	OTHER CHARGES kWh	2000	0.0229	$ 45.80	OTHER CHARGES kWh	2000	0.0229	$ 45.80					
	COST OF POWER kWh	2000	0.0430	$ 86.00	COST OF POWER kWh	750	0.0470	$ 35.25					
					COST OF POWER kWh	1250	0.0550	$ 68.75					
	CURRENT 2003 BILL			$ 182.16	Adjusted 2004 BILL			$ 200.44	$ 18.28	10.0%			
MONTHLY CONSUMPTION OF 5000 kWh		**kWh (enter)**	**RATE $/kWh**	**CHARGE $**			**kWh**	**RATE $/kWh**	**CHARGE $**		**IMPACT DOLLARS**	**IMPACT %**	
	MONTHLY SERVICE CHARGE	n/a	n/a	$ 34.16	MONTHLY SERVICE CHARGE	n/a	n/a	$ 34.16					
	DISTRIBUTION kWh	5000	0.0081	$ 40.50	DISTRIBUTION kWh	5000	0.0082	$ 41.20					
	OTHER CHARGES kWh	5000	0.0229	$ 114.50	OTHER CHARGES kWh	5000	0.0229	$ 114.50					
	COST OF POWER kWh	5000	0.0430	$ 215.00	COST OF POWER kWh	750	0.0470	$ 35.25					
					COST OF POWER kWh	4250	0.0550	$ 233.75					
	CURRENT 2003 BILL			$ 404.16	Adjusted 2004 BILL			$ 458.86	$ 54.70	13.5%			
MONTHLY CONSUMPTION OF 10000 kWh		**kWh (enter)**	**RATE $/kWh**	**CHARGE $**			**kWh**	**RATE $/kWh**	**CHARGE $**		**IMPACT DOLLARS**	**IMPACT %**	

MONTHLY SERVICE CHARGE	n/a	n/a	$	34.16	MONTHLY SERVICE CHARGE	n/a	n/a	$	34.16		
DISTRIBUTION kWh	10000	0.0081	$	81.00	DISTRIBUTION kWh	10000	0.0082	$	82.41		
OTHER CHARGES kWh	10000	0.0229	$	229.00	OTHER CHARGES kWh	10000	0.0229	$	229.00		
COST OF POWER kWh	10000	0.0430	$	430.00	COST OF POWER kWh	750	0.0470	$	35.25		
					COST OF POWER kWh	9250	0.0550	$	508.75		
CURRENT 2003 BILL			$	774.16	Adjusted 2004 BILL			$	889.57	$ 115.41	14.9%

MONTHLY CONSUMPTION OF 15000 kWh	**kWh (enter)**	**RATE $/kWh**	**CHARGE $**			**kWh**	**RATE $/kWh**	**CHARGE $**		**IMPACT DOLLARS**	**IMPACT %**
MONTHLY SERVICE CHARGE	n/a	n/a	$	34.16	MONTHLY SERVICE CHARGE	n/a	n/a	$	34.16		
DISTRIBUTION kWh	15000	0.0081	$	121.50	DISTRIBUTION kWh	15000	0.0082	$	123.61		
OTHER CHARGES kWh	15000	0.0229	$	343.50	OTHER CHARGES kWh	15000	0.0229	$	343.50		
COST OF POWER kWh	15000	0.0430	$	645.00	COST OF POWER kWh	750	0.0470	$	35.25		
					COST OF POWER kWh	14250	0.0550	$	783.75		
CURRENT 2003 BILL			$	1,144.16	Adjusted 2004 BILL			$	1,320.27	$ 176.11	15.4%

Attachment G

2005
Rate Application
Model

2005 Rate Adjustment Model

Name of Utility:	**Waterloo North Hydro Inc.**
License Number:	**ED-2002-0575**
File Number:	**RP-2005-0013**
	EB-2005-0088
Name of Contact:	**Albert P. Singh**
E- Mail Address:	**asingh@wnhydro.com**
Phone Number:	**519-886-5090 Extension: 210**
Date:	**January 14, 2005 VERSION 1 NO S/C ADJMT**

Version Number: **2005.V1.1**

SHEET 1 - 2002 Base Rate Schedule

Name of Utility:	**Waterloo North Hydro Inc.**	**2005.V1.1**
License Number:	**ED-2002-0575**	**RP-2005-0013**
Name of Contact:	**Albert P. Singh**	**EB-2005-0088**
E- Mail Address:	**asingh@wnhydro.com**	
Phone Number:	**519-886-5090 Extension: 210**	
Date:	**January 14, 2005 VERSION 1 NO S/C ADJMT**	

Enter the values for your 2002 Base Rates as shown on sheet 4 of the 2002 RAM or sheet 2 of the 2004 RAM.
Using the 2002 base rates removes the impact of 2004 interim Regulatory Assets and the 2004 PILs Proxy, added in the approved rates on April 1, 2004.

Adjustments to rate classes may be made if your LDC has non-standard classes.

RESIDENTIAL

Distribution kWh Rate	$0.0074
Monthly Service Charge (Per Customer)	$12.86

RESIDENTIAL (TIME OF USE)

Distribution kWh Rate	
Monthly Service Charge (Per Customer)	

GENERAL SERVICE < 50 KW

Distribution kWh Rate	$0.0065
Monthly Service Charge (Per Customer)	$27.26

GENERAL SERVICE > 50 KW (NON TIME OF USE)

Distribution KW Rate	$2.5283
Monthly Service Charge (Per Customer)	$165.87

GENERAL SERVICE > 50 KW (TIME OF USE)

Distribution KW Rate	
Monthly Service Charge (Per Customer)	

SHEET 1 - 2002 Base Rate Schedule

INTERMEDIATE USE

Distribution KW Rate	
Monthly Service Charge (Per Customer)	

LARGE USE

Distribution KW Rate	$1.9045
Monthly Service Charge (Per Customer)	$5,967.95

SENTINEL LIGHTS (NON TIME OF USE)

Distribution KW Rate	
Monthly Service Charge (Per Connection)	

OR

SENTINEL LIGHTS (TIME OF USE)

Distribution KW Rate	
Monthly Service Charge (Per Connection)	

STREET LIGHTING (NON TIME OF USE)

Distribution KW Rate	$4.7072
Monthly Service Charge (Per Connection)	$0.30

OR

STREET LIGHTING (TIME OF USE)

Distribution KW Rate	
Monthly Service Charge (Per Connection)	

SHEET 2 - Calculating The Rate Increase Due To The Addition of 1/3 MARR

Name of Utility:	**Waterloo North Hydro Inc.**	**2005.V1.1**
License Number:	**ED-2002-0575**	**RP-2005-0013**
Name of Contact:	**Albert P. Singh**	**EB-2005-0088**
E- Mail Address:	**asingh@wnhydro.com**	
Phone Number:	**519-886-5090** **Extension: 210**	
Date:	**January 14, 2005 VERSION 1 NO S/C ADJMT**	

Enter the final MARR installment calculated in the 2001 RUD Model	**$ 1,204,760.93**
Have you applied for approval of your C&DM plan?	**YES**
Enter the amount applied for your C&DM plan	**$1,205,000.00**
Has the C&DM application been approved?	**NO**
Enter the final MARR installment *(based on Board-Approved C&DM plan or applied-for amount)*	**$ 1,204,760.93**
Grossed-up MARR based on 14 months recovery over 13 months.	**$ 1,297,434.85**

Use the Table below to enter the 1999 data for your LDC from your approved 2001 RUD Model.
1999 Distribution Revenue Shares will be used to allocate the Board-Approved MARR Value to rate classes.
You may adjust the rate classes if your LDC has non-standard classes.

1999 Data by Class	kW	kWh	Number of Customers (Connections)	Distribution Revenues	1999 Distribution Shares	Allocation of Board-Approved MARR Value
Residential Class		335,229,006	34,914	$6,607,788	48.04%	$623,345
General Service < 50 KW Class		167,251,746	4,924	$2,254,801	16.39%	$212,706
General Service > 50 KW Non-Time of Use	1,445,722		786	$4,380,410	31.85%	$413,225
General Service > 50 KW Time of Use					0.00%	$0
Intermediate Use					0.00%	$0
Large Class User	175,635		2	$401,041	2.92%	$37,832
Sentinel Lights					0.00%	$0
Street Lighting	19,368		10,943	$109,464	0.80%	$10,326
TOTALS	**1,640,725**	**502,480,752**	**51,569**	**$13,753,504**	**100.00%**	**$1,297,435**
				Grossed-up MARR Value ==========>		**$1,297,435**

Note: LDCs must enter the fixed-variable split used on Sheet 13 (Sensitivity Analysis 2) of their 2001 Approved RUD Model.

Residential Class

	Variable Charge Recovery	Service Charge Recovery	Total Board-Approved MARR Recovery
(A) Allocated MARR			$623,345
(B) Fixed-Variable Split (%)	31.5%	68.5%	100%
(C) Re-Allocated MARR ($)	$196,354	$426,991	$623,345
(D) Number of kWh	335,229,006		
(E) Number of Customers		34,914	
(F) Incremental Distribution kWh Rate ($/kWh)	$0.0006		
(G) Incremental Monthly Service Charge (C)/(E)/12		$1.0191	

SHEET 2 - Calculating The Rate Increase Due To The Addition of 1/3 MARR

General Service < 50 kW Class

	Variable Charge Recovery	Service Charge Recovery	Total Board-Approved MARR Recovery
(A) Allocated MARR			$212,706
(B) Fixed-Variable Split (%)	40.0%	60.0%	100%
(C) Re-Allocated MARR ($)	$85,083	$127,624	$212,706
(D) Number of kWh	167,251,746		
(E) Number of Customers		4,924	
(F) Incremental Distribution kWh Rate ($/kWh)	$0.0005		
(G) Incremental Monthly Service Charge (C)/(E)/12		$2.1599	

General Service > 50 kW Class (Non-Time of Use)

	Variable Charge Recovery	Service Charge Recovery	Total Board-Approved MARR Recovery
(A) Allocated MARR			$413,225
(B) Fixed-Variable Split (%)	70.0%	30.0%	100%
(C) Re-Allocated MARR ($)	$289,258	$123,968	$413,225
(D) Number of kW	1,445,722		
(E) Number of Customers		786	
(F) Incremental Distribution kWh Rate ($/kW)	$0.2001		
(G) Incremental Monthly Service Charge (C)/(E)/12		$13.1433	

General Service > 50 kW Class (Time of Use)

	Variable Charge Recovery	Service Charge Recovery	Total Board-Approved MARR Recovery
(A) Allocated MARR			$0
(B) Fixed-Variable Split (%)			0%
(C) Re-Allocated MARR ($)	$0	$0	$0
(D) Number of kW	0		
(E) Number of Customers		0	
(F) Incremental Distribution kW Rate ($/kW)	$0.0000		
(G) Incremental Monthly Service Charge (C)/(E)/12		$0.0000	

Intermediate Class

	Variable Charge Recovery	Service Charge Recovery	Total Board-Approved MARR Recovery
(A) Allocated MARR			$0
(B) Fixed-Variable Split (%)			0%
(C) Re-Allocated MARR ($)	$0	$0	$0
(D) Number of kW	0		
(E) Number of Customers		0	
(F) Incremental Distribution kW Rate ($/kW)	$0.0000		
(G) Incremental Monthly Service Charge (C)/(E)/12		$0.0000	

SHEET 2 - Calculating The Rate Increase Due To The Addition of 1/3 MARR

Large User Class

	Variable Charge Recovery	Service Charge Recovery	Total Board-Approved MARR Recovery
(A) Allocated MARR			$37,832
(B) Fixed-Variable Split (%)	70.0%	30.0%	100%
(C) Re-Allocated MARR ($)	$26,482	$11,350	$37,832
(D) Number of kW	175,635		
(E) Number of Customers		2	
(F) Incremental Distribution kW Rate ($/kW)	$0.1508		
(G) Incremental Monthly Service Charge (C)/(E)/12		$472.9016	

Sentinel Lighting Class

	Variable Charge Recovery	Service Charge Recovery	Total Board-Approved MARR Recovery
(A) Allocated MARR			$0
(B) Fixed-Variable Split (%)			0%
(C) Re-Allocated MARR ($)	$0	$0	$0
(D) Number of kW	0		
(E) Number of Customers		0	
(F) Incremental Distribution kW Rate ($/kW)	$0.0000		
(G) Incremental Monthly Service Charge (C)/(E)/12		$0.0000	

Street Lighting Class

	Variable Charge Recovery	Service Charge Recovery	Total Board-Approved MARR Recovery
(A) Allocated MARR			$10,326
(B) Fixed-Variable Split (%)	70.0%	30.0%	100%
(C) Re-Allocated MARR ($)	$7,228	$3,098	$10,326
(D) Number of kW	19,368		
(E) Number of Customers		10,943	
(F) Incremental Distribution kW Rate ($/kW)	$0.3732		
(G) Incremental Monthly Service Charge (C)/(E)/12		$0.0236	

SHEET 3 - 2005 Base Rates (2002 Base Rates + Final MARR)

Name of Utility:	**Waterloo North Hydro Inc.**	**2005.V1.1**
License Number:	**ED-2002-0575**	**RP-2005-0013**
Name of Contact:	**Albert P. Singh**	**EB-2005-0088**
E- Mail Address:	**asingh@wnhydro.com**	
Phone Number:	**519-886-5090 Extension: 210**	
Date:	**January 14, 2005 VERSION 1 NO S/C ADJMT**	

Residential Class

DISTRIBUTION KWH RATE	$0.0080
MONTHLY SERVICE CHARGE (Per Customer)	$13.88

Residential Class (Time-of-Use)

DISTRIBUTION KWH RATE	
MONTHLY SERVICE CHARGE (Per Customer)	

General Service < 50 KW

DISTRIBUTION KWH RATE	$0.0070
MONTHLY SERVICE CHARGE (Per Customer)	$29.42

General Service > 50 KW (Non-Time of Use)

DISTRIBUTION KW RATE	$2.7284
MONTHLY SERVICE CHARGE (Per Customer)	$179.01

General Service > 50 KW (Time of Use)

DISTRIBUTION KW RATE	
MONTHLY SERVICE CHARGE (Per Customer)	

Intermediate Use

DISTRIBUTION KW RATE	
MONTHLY SERVICE CHARGE (Per Customer)	

SHEET 3 - 2005 Base Rates (2002 Base Rates + Final MARR)

Large Use

DISTRIBUTION KW RATE	$2.0553
MONTHLY SERVICE CHARGE (Per Customer)	$6,440.85

Sentinel Lights (Non-Time of Use)

DISTRIBUTION KW RATE	
MONTHLY SERVICE CHARGE (Per Connection)	

OR

Sentinel Lights (Time of Use)

DISTRIBUTION KW RATE	
MONTHLY SERVICE CHARGE (Per Connection)	

Street Lighting (Non-Time of Use)

DISTRIBUTION KW RATE	$5.0804
MONTHLY SERVICE CHARGE (Per Connection)	$0.32

OR

Street Lighting (Time of Use)

DISTRIBUTION KW RATE	
MONTHLY SERVICE CHARGE (Per Connection)	

SHEET 4 - Calculating Incremental Rate Increase Due To 2005 PILs

Name of Utility:	**Waterloo North Hydro Inc.**	**2005.V1.1**
License Number:	**ED-2002-0575**	**RP-2005-0013**
Name of Contact:	**Albert P. Singh**	**EB-2005-0088**
E- Mail Address:	**asingh@wnhydro.com**	
Phone Number:	**519-886-5090** **Extension: 210**	
Date:	**January 14, 2005 VERSION 1 NO S/C ADJMT**	

This schedule requires LDCs to input the 2003 data which will be used to allocate 2005 PILs to the rate classes.
The 2005 PILs Proxy is calculated in the 2005 PILs model, TAXCALC Worksheet, Cell C95

Enter the 2005 PILs Proxy Amount $ 3,398,387.57

Distribution Revenue is used to allocate the 2005 PILs Proxy Amount to the rate classes.

2003 Data by Class	kW	kWh	Number of Customers (Connections)	Distribution Revenues	2003 Distribution Shares	2005 PILs Proxy Allocation
Residential Class		381,918,524	39,847	$11,103,164	50.2%	$1,706,853
General Service < 50 KW Class		180,232,125	4,998	$3,620,873	16.4%	$556,625
General Service > 50 KW Non-Time of Use	1,524,793	560,052,648	637	$6,577,784	29.8%	$1,011,181
General Service > 50 KW Time of Use					0.0%	$0
Intermediate Use					0.0%	$0
Large Class User	181,431	93,342,289	2	$640,585	2.9%	$98,475
Sentinel Lights					0.0%	$0
Street Lighting	19,111	6,845,381	11,645	$164,279	0.7%	$25,254
TOTALS		**1,222,390,967**	**57,129**	**$22,106,685**	**1.00**	**$3,398,388**
			2005 PILs Proxy Amount ==========>			$3,398,388

2005 PILs Proxy amount will be recovered only in the distribution kWh charge (Variable Charge).

Residential Class

	Variable Charge Recovery	Service Charge Recovery	2005 PILs Proxy Allocation
(A) Allocated PILs			$1,706,853
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs ($)	$1,706,853	$0	$1,706,853
(D) Number of kWh	381,918,524		
(E) Incremental Distribution kWh Rate ($/kWh)	$0.0045		

General Service < 50 kW Class

	Variable Charge Recovery	Service Charge Recovery	2005 PILs Proxy Allocation
(A) Allocated PILs			$556,625
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs ($)	$556,625	$0	$556,625
(D) Number of kWh	180,232,125		
(E) Incremental Distribution kWh Rate ($/kWh)	$0.0031		

SHEET 4 - Calculating Incremental Rate Increase Due To 2005 PILs

General Service > 50 kW Class (Non-Time of Use)

	Variable Charge Recovery	Service Charge Recovery	2005 PILs Proxy Allocation
(A) Allocated PILs			$1,011,181
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs ($)	$1,011,181	$0	$1,011,181
(D) Number of kW	1,524,793		
(E) Incremental Distribution kW Rate ($/kW)	$0.6632		

General Service > 50 kW Class (Time of Use)

	Variable Charge Recovery	Service Charge Recovery	2005 PILs Proxy Allocation
(A) Allocated PILs			$0
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs ($)	$0	$0	$0
(D) Number of kW	0		
(E) Incremental Distribution kW Rate ($/kW)	$0.0000		

Intermediate Class

	Variable Charge Recovery	Service Charge Recovery	2005 PILs Proxy Allocation
(A) Allocated PILs			$0
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs ($)	$0	$0	$0
(D) Number of kW	0		
(E) Incremental Distribution kW Rate ($/kW)	$0.0000		

Large User Class

	Variable Charge Recovery	Service Charge Recovery	2005 PILs Proxy Allocation
(A) Allocated PILs			$98,475
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs ($)	$98,475	$0	$98,475
(D) Number of kW	181,431		
(E) Incremental Distribution kW Rate ($/kW)	$0.5428		

SHEET 4 - Calculating Incremental Rate Increase Due To 2005 PILs

Sentinel Lighting Class

	Variable Charge Recovery	Service Charge Recovery	2005 PILs Proxy Allocation
(A) Allocated PILs			$0
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs ($)	$0	$0	$0
(D) Number of kW	0		
(E) Incremental Distribution kW Rate ($/kW)	$0.0000		

Street Lighting Class

	Variable Charge Recovery	Service Charge Recovery	2005 PILs Proxy Allocation
(A) Allocated PILs			$25,254
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated PILs ($)	$25,254	$0	$25,254
(D) Number of kW	19,111		
(E) Incremental Distribution kW Rate ($/kW)	$1.3214		

SHEET 5 - Rate Schedule including 2005 PILs

Name of Utility:	**Waterloo North Hydro Inc.**	**2005.V1.1**
License Number:	**ED-2002-0575**	**RP-2005-0013**
Name of Contact:	**Albert P. Singh**	**EB-2005-0088**
E- Mail Address:	**asingh@wnhydro.com**	
Phone Number:	**519-886-5090 Extension: 210**	
Date:	**January 14, 2005 VERSION 1 NO S/C ADJMT**	

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.0125
MONTHLY SERVICE CHARGE (Per Customer)	$13.88

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	
MONTHLY SERVICE CHARGE (Per Customer)	

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.0101
MONTHLY SERVICE CHARGE (Per Customer)	$29.42

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$3.3915
MONTHLY SERVICE CHARGE (Per Customer)	$179.01

GENERAL SERVICE > 50 KW (TIME OF USE)

DISTRIBUTION KW RATE	
MONTHLY SERVICE CHARGE (Per Customer)	

INTERMEDIATE USE

DISTRIBUTION KW RATE	
MONTHLY SERVICE CHARGE (Per Customer)	

SHEET 5 - Rate Schedule including 2005 PILs

LARGE USE

DISTRIBUTION KW RATE	$2.5980
MONTHLY SERVICE CHARGE (Per Customer)	$6,440.85

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE

MONTHLY SERVICE CHARGE (Per Connection)

OR

SENTINEL LIGHTS (TIME OF USE)

DISTRIBUTION KW RATE

MONTHLY SERVICE CHARGE (Per Connection)

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	$6.4019
MONTHLY SERVICE CHARGE (Per Connection)	$0.32

OR

STREET LIGHTING (TIME OF USE)

DISTRIBUTION KW RATE

MONTHLY SERVICE CHARGE (Per Connection)

SHEET 6 - December 31, 2003 Regulatory Assets

Name of Utility:	**Waterloo North Hydro Inc.**	**2005.V1.1**
License Number:	**ED-2002-0575**	**RP-2005-0013**
Name of Contact:	**Albert P. Singh**	**EB-2005-0088**
E- Mail Address:	**asingh@wnhydro.com**	
Phone Number:	**519-886-5090** **Extension: 210**	
Date:	**January 14, 2005 VERSION 1 NO S/C ADJMT**	

LDCs should enter their December 3, 2003 balances for each regulatory asset account. In the case of distributors that have approved Regulatory Asset recovery rate riders, the distributor should not enter any balances on Sheet 6 and should go directly to Sheet 10. In this instance, the rate schedule on Sheet 5 is identical to Sheet 9.

Description	Account Number	Amount Applied-for Balance as at Dec. 31, 2003
RSVA - Wholesale Market Service Charge	**1580**	$1,922,669
RSVA - One-time Wholesale Market Service	**1582**	$114,684
RSVA - Retail Transmission Network Charge	**1584**	$211,701
RSVA - Retail Transmission Connection Charge	**1586**	-$5,728,409
RSVA - Power	**1588**	-$808,410
Sub-Total for RSVA Accounts		-$4,287,764
Current Recovery: Amount Entered on Sheet 3, cell G13, of 2004 RAM		-$644,242
Adjusted 2005 Recovery Amount (RSVA Accounts)		**-$3,643,522**
Other Regulatory Assets	**1508**	
Retail Cost Variance Account - Retail	**1518**	-$8,744
Retail Cost Variance Account - STR	**1548**	$1,200
Misc. Deferred Debits - incl. Rebate Cheques	**1525**	$54,344
Deferred Payments in Lieu of Taxes	**1562**	$347,853
PILs Contra Account	**1563**	
Qualifing Transition Costs	**1570**	$985,550
Pre-Market Opening Energy Variances Total	**1571**	$2,355,905
Extra-Ordinary Event Losses	**1572**	
Deferred Rate Impact Amounts	**1574**	
Other Deferred Credits	**2425**	
Sub-Total for Non-RSVA Regulatory Asset Accounts		$3,736,107
Current Recovery: Amount Entered on Sheet 5, cell G14, of 2004 RAM		$1,571,519
Adjusted 2005 Recovery Amount (Non-RSVA Accounts)		**$2,164,588**
Total Adjusted Regulatory Assets		-$1,478,934
33% of Total Adjusted Regulatory Assets		**-$492,978.00**

SHEET 6 - December 31, 2003 Regulatory Assets

---------- Please go to Section 2 ----------

Section 1: For LDCs with Total RSVA adjusted balances greater than 33 % of Total:		
Total Adjusted Balance for RSVA Accounts	(a)	N/A
33% of Total Adjusted Regulatory Assets	(b)	N/A
Remaining Final Amount to be recovered in future periods (a) - (b)		N/A

Section 2: For LDCs with Total RSVA adjusted balances less than 33 % of Total:		
33% OF Total Adjusted Regulatory Assets		-$492,978
Total Adjusted Balance for RSVA Accounts		-$3,643,522
Amount to be colleced from RSVA Accounts		-$3,643,522
Amount to be collected from Non-RSVA accounts	80% of Non-RSVA	$1,731,671

Rate Implementation	Check Box YES or NO	
Our utility is able to pro-rate the bill so that consumption before April 1 is at the old rates and post April 1 consumption is billed at the new rates.	☑ YES	☐ NO
Our utility is not able to pro-rate consumption and therefore our customers will not be charged the new rates until the completion of an entire billing cycle.	☐ YES	☑ NO

SHEET 7 - Calculating Rate Increases due to interim RSVA Regulatory Assets

Name of Utility:	**Waterloo North Hydro Inc.**	**2005.V1.1**
License Number:	**ED-2002-0575**	**RP-2005-0013**
Name of Contact:	**Albert P. Singh**	**EB-2005-0088**
E- Mail Address:	**asingh@wnhydro.com**	
Phone Number:	**519-886-5090** **Extension: 210**	
Date:	**January 14, 2005 VERSION 1 NO S/C ADJMT**	

Approved Regulatory Asset Recovery from Sheet 4 *(either from Section 1 or Section 2)* **$ (3,643,522.41)**

The share of class kWh sold in 2003 is used to allocate the approved interim RSVA Regulatory Asset amounts.

2003 Data by Class	kW	kWh	Number of Customers (Connections)	Distribution Revenues	2003 kWh Shares	2003 RSVA Allocations
Residential Class	0	381,918,524	39,847	$11,103,164	31.2%	-$1,138,366
General Service < 50 KW Class	0	180,232,125	4,998	$3,620,873	14.7%	-$537,209
General Service > 50 KW Non-Time of Use	1,524,793	560,052,648	637	$6,577,784	45.8%	-$1,669,322
General Service > 50 KW Time of Use	0	0	0	$0	0.0%	$0
Intermediate Use	0	0	0	$0	0.0%	$0
Large Class User	181,431	93,342,289	2	$640,585	7.6%	-$278,221
Sentinel Lights	0	0	0	$0	0.0%	$0
Street Lighting	19,111	6,845,381	11,645	$164,279	0.6%	-$20,404
TOTALS		**1,222,390,967**	**57,129**	**$22,106,685.00**	**1.00**	**-$3,643,522**
				Allocated Total for RSVA accounts ==========>		-$3,643,522

Regulatory Assets will be recovered only in the distribution variable charge ($/kWh or $/kW).

Residential Class

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			-$1,138,366
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	-$1,138,366	$0	-$1,138,366
(D) Number of kWh	381,918,524		
(E) Incremental Distribution kWh Rate ($/kWh)	-$0.0030		

General Service < 50 kW Class

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			-$537,209
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	-$537,209	$0	-$537,209
(D) Number of kWh	180,232,125		
(E) Incremental Distribution kWh Rate ($/kWh)	-$0.0030		

SHEET 7 - Calculating Rate Increases due to interim RSVA Regulatory Assets

General Service > 50 kW Class (Non-Time of Use)

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			-$1,669,322
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	-$1,669,322	$0	-$1,669,322
(D) Number of kW	1,524,793		
(E) Incremental Distribution kW Rate ($/kW)	-$1.0948		

General Service > 50 kW Class (Time of Use)

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			$0
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	$0	$0	$0
(D) Number of kW	0		
(E) Incremental Distribution kW Rate ($/kW)	$0.0000		

Intermediate Class

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			$0
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	$0	$0	$0
(D) Number of kW	0		
(E) Incremental Distribution kW Rate ($/kW)	$0.0000		

Large User Class

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			-$278,221
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	-$278,221	$0	-$278,221
(D) Number of kW	181,431		
(E) Incremental Distribution kW Rate ($/kW)	-$1.5335		

SHEET 7 - Calculating Rate Increases due to interim RSVA Regulatory Assets

Sentinel Lighting Class

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			$0
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	$0	$0	$0
(D) Number of kW	0		
(E) Incremental Distribution kW Rate ($/kW)	$0.0000		

Street Lighting Class

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			-$20,404
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	-$20,404	$0	-$20,404
(D) Number of kW	19,111		
(E) Incremental Distribution kW Rate ($/kW)	-$1.0676		

SHEET 8 - Calculating Rate Increases due to interim Non-RSVA Regulatory Assets

Name of Utility:	**Waterloo North Hydro Inc.**	**2005.V1.1**
License Number:	**ED-2002-0575**	**RP-2005-0013**
Name of Contact:	**Albert P. Singh**	**EB-2005-0088**
E- Mail Address:	**asingh@wnhydro.com**	
Phone Number:	**519-886-5090** **Extension: 210**	
Date:	**January 14, 2005 VERSION 1 NO S/C ADJMT**	

Approved Regulatory Asset Recovery from Non-RSVA Accounts *(Sheet 4, Section 2)* **$ 1,731,670.73**

Distribution Revenue is used to allocate the approved final Regulatory Asset amounts related to the Non-RSVA accounts.

2003 Data by Class	kW	kWh	Number of Customers (Connections)	Distribution Revenues	2003 Distribution Shares	2002 Regulatory Asset RSVA Allocations
Residential Class	0	381,918,524	39,847	$11,103,164	50.2%	$869,738
General Service < 50 KW Class	0	180,232,125	4,998	$3,620,873	16.4%	$283,632
General Service > 50 KW Non-Time of Use	1,524,793	560,052,648	637	$6,577,784	29.8%	$515,254
General Service > 50 KW Time of Use	0	0	0	$0	0.0%	$0
Intermediate Use	0	0	0	$0	0.0%	$0
Large Class User	181,431	93,342,289	2	$640,585	2.9%	$50,179
Sentinel Lights	0	0	0	$0	0.0%	$0
Street Lighting	19,111	6,845,381	11,645	$164,279	0.7%	$12,868
TOTALS		**1,222,390,967**	**57,129**	**$22,106,685**	**1.00**	**$1,731,671**
				Allocated Total for Non-RSVA accounts ==========>		$1,731,671

Regulatory Assets will be recovered only in the distribution variable charge ($/kWh or $/kW).

Residential Class

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			$869,738
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	$869,738	$0	$869,738
(D) Number of kWh	381,918,524		
(E) Incremental Distribution kWh Rate ($/kWh)	$0.0023		

General Service < 50 kW Class

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			$283,632
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	$283,632	$0	$283,632
(D) Number of kWh	180,232,125		
(E) Incremental Distribution kWh Rate ($/kWh)	$0.0016		

SHEET 8 - Calculating Rate Increases due to interim Non-RSVA Regulatory Assets

General Service > 50 kW Class (Non-Time of Use)

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			$515,254
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	$515,254	$0	$515,254
(D) Number of kW	1,524,793		
(E) Incremental Distribution kW Rate ($/kW)	$0.3379		

General Service > 50 kW Class (Time of Use)

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			$0
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	$0	$0	$0
(D) Number of kW	0		
(E) Incremental Distribution kW Rate ($/kW)	$0.0000		

Intermediate Class

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			$0
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	$0	$0	$0
(D) Number of kW	0		
(E) Incremental Distribution kW Rate ($/kW)	$0.0000		

Large User Class

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			$50,179
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	$50,179	$0	$50,179
(D) Number of kW	181,431		
(E) Incremental Distribution kW Rate ($/kW)	$0.2766		

SHEET 8 - Calculating Rate Increases due to interim Non-RSVA Regulatory Assets

Sentinel Lighting Class

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			$0
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	$0	$0	$0
(D) Number of kW	0		
(E) Incremental Distribution kW Rate ($/kW)	$0.0000		

Street Lighting Class

	Variable Charge Recovery	Service Charge Recovery	2003 RSVA Allocation
(A) Allocated RSVA			$12,868
(B) Fixed-Variable Split (%)	100%	0%	100%
(C) Re-Allocated RSVA ($)	$12,868	$0	$12,868
(D) Number of kW	19,111		
(E) Incremental Distribution kW Rate ($/kW)	$0.6733		

SHEET 9 - Rate Schedule for 2005 Base Rates + PILs + Interim 2005 Regulatory Assets

Name of Utility:	**Waterloo North Hydro Inc.**	**2005.V1.1**
License Number:	**ED-2002-0575**	**RP-2005-0013**
Name of Contact:	**Albert P. Singh**	**EB-2005-0088**
E- Mail Address:	**asingh@wnhydro.com**	
Phone Number:	**519-886-5090 Extension: 210**	
Date:	**January 14, 2005 VERSION 1 NO S/C ADJMT**	

RESIDENTIAL

DISTRIBUTION KWH RATE	$0.0118
MONTHLY SERVICE CHARGE (Per Customer)	$13.88

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	
MONTHLY SERVICE CHARGE (Per Customer)	

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	$0.0087
MONTHLY SERVICE CHARGE (Per Customer)	$29.42

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	$2.6347
MONTHLY SERVICE CHARGE (Per Customer)	$179.01

GENERAL SERVICE > 50 KW (TIME OF USE)

DISTRIBUTION KW RATE	
MONTHLY SERVICE CHARGE (Per Customer)	

INTERMEDIATE USE

DISTRIBUTION KW RATE	
MONTHLY SERVICE CHARGE (Per Customer)	

SHEET 9 - Rate Schedule for 2005 Base Rates + PILs + Interim 2005 Regulatory Assets

LARGE USE

DISTRIBUTION KW RATE	$1.3411
MONTHLY SERVICE CHARGE (Per Customer)	$6,440.85

SENTINEL LIGHTS (NON TIME OF USE)

DISTRIBUTION KW RATE	
MONTHLY SERVICE CHARGE (Per Connection)	

OR

SENTINEL LIGHTS (TIME OF USE)

DISTRIBUTION KW RATE	
MONTHLY SERVICE CHARGE (Per Connection)	

STREET LIGHTING (NON TIME OF USE)

DISTRIBUTION KW RATE	$6.0076
MONTHLY SERVICE CHARGE (Per Connection)	$0.32

OR

STREET LIGHTING (TIME OF USE)

DISTRIBUTION KW RATE	
MONTHLY SERVICE CHARGE (Per Connection)	

SHEET 10 - Phase 2 Final Rate Riders

Name of Utility:	Waterloo North Hydro Inc.	2005.V1.1
License Number:	ED-2002-0575	RP-2005-0013
Name of Contact:	Albert P. Singh	EB-2005-0088
E- Mail Address:	asingh@wnhydro.com	
Phone Number:	519-886-5090 Extension: 210	
Date:	January 14, 2005 VERSION 1 NO S/C ADJMT	

This sheet is to be used by those distributors that have final approval of their Regulatory Asset Recovery - Phase 2 rate riders.

Class	Rate Rider per kWh (or kW)
Residential Class	
General Service < 50 KW Class	
General Service > 50 KW Non-Time of Use	
General Service > 50 KW Time of Use	
Intermediate Use	
Large Class User	
Sentinel Lights	
Street Lighting	

Waterloo North Hydro Inc.
RP-2005-0013 EB-2005-0088
Schedule of Changed Distribution Rates and Charges
Effective April 1, 2005 until April 30, 2006

VERSION 1 - NO ADJUSTMENT TO MAINTAIN CURRENT SERVICE CHARGE LEVEL

LDCs may amend this schedule to reflect the rate classes that apply in their specific service territory.

RESIDENTIAL

Monthly Service Charge	(per month)	$13.88
Distribution Volumetric Rate	(per kWh)	$0.0118

RESIDENTIAL (Time of Use)

Monthly Service Charge	(per month)	
Distribution Volumetric Rate	(per kWh)	

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	$29.42
Distribution Volumetric Rate	(per kWh)	$0.0087

GENERAL SERVICE > 50 KW (Non Time of Use)

Monthly Service Charge	(per month)	$179.01
Distribution Volumetric Rate	(per kW)	$2.6347

GENERAL SERVICE > 50 KW (Time of Use)

Monthly Service Charge	(per month)	
Distribution Volumetric Rate	(per kW)	

INTERMEDIATE USE

Monthly Service Charge	(per month)	
Distribution Volumetric Rate	(per kW)	

LARGE USE

Monthly Service Charge	(per month)	$6,440.85
Distribution Volumetric Rate	(per kW)	$1.3411

SENTINEL LIGHTS (Non Time of Use)

Monthly Service Charge	(per month)	
Distribution Volumetric Rate	(per kW)	

Waterloo North Hydro Inc.
RP-2005-0013 EB-2005-0088
Schedule of Changed Distribution Rates and Charges
Effective April 1, 2005 until April 30, 2006

VERSION 1 - NO ADJUSTMENT TO MAINTAIN CURRENT SERVICE CHARGE LEVEL

SENTINEL LIGHTS (Time of Use)

Monthly Service Charge	(per month)	
Distribution Volumetric Rate	(per kW)	

STREET LIGHTING (Non Time of Use)

Monthly Service Charge	(per month)	$0.32
Distribution Volumetric Rate	(per kW)	$6.0076

STREET LIGHTING (Time of Use)

Monthly Service Charge	(per month)	
Distribution Volumetric Rate	(per kW)	

SHEET 12 - Current Rates as of April 1, 2004

Name of Utility:	**Waterloo North Hydro Inc.**	**2005.V1.1**
License Number:	**ED-2002-0575**	**RP-2005-0013**
Name of Contact:	**Albert P. Singh**	**EB-2005-0088**
E- Mail Address:	**asingh@wnhydro.com**	
Phone Number:	**519-886-5090 Extension: 210**	
Date:	**January 14, 2005 VERSION 1 NO S/C ADJMT**	

In order to calculate bill impacts on Sheet 13, enter your current rates as approved in your 2004 Rate Order.
You may adjust the rate classes if your LDC has non-standard classes.

RESIDENTIAL

Distribution kWh Rate	$0.0093
Monthly Service Charge (Per Customer)	$16.21

RESIDENTIAL (TIME OF USE)

Distribution kWh Rate	
Monthly Service Charge (Per Customer)	

GENERAL SERVICE < 50 KW

Distribution kWh Rate	$0.0082
Monthly Service Charge (Per Customer)	$34.16

GENERAL SERVICE > 50 KW (NON TIME OF USE)

Distribution KW Rate	$3.0104
Monthly Service Charge (Per Customer)	$208.00

GENERAL SERVICE > 50 KW (TIME OF USE)

Distribution KW Rate	
Monthly Service Charge (Per Customer)	

INTERMEDIATE USE

Distribution KW Rate	
Monthly Service Charge (Per Customer)	

SHEET 12 - Current Rates as of April 1, 2004

LARGE USE

Distribution KW Rate	$2.2127
Monthly Service Charge (Per Customer)	$7,563.93

SENTINEL LIGHTS (NON TIME OF USE)

Distribution KW Rate	
Monthly Service Charge (Per Customer)	

OR

SENTINEL LIGHTS (TIME OF USE)

Distribution KW Rate	
Monthly Service Charge (Per Customer)	

STREET LIGHTING (NON TIME OF USE)

Distribution KW Rate	$5.9388
Monthly Service Charge (Per Customer)	$0.37

OR

STREET LIGHTING (TIME OF USE)

Distribution KW Rate	
Monthly Service Charge (Per Customer)	

Sheet 13 - Estimated Bill Impact Analysis for 2005 Rate Schedule

Name of Utility:	**Waterloo North Hydro Inc.**	**2005.V1.0**
License Number:	**ED-2002-0575**	**RP-2005-0013**
Name of Contact:	**Albert P. Singh**	**EB-2005-0088**
E- Mail Address:	**asingh@wnhydro.com**	
Phone Number:	**519-886-5090** **Extension: 210**	
Date:	**January 14, 2005 VERSION 1 NO S/**	

VERSION 1 - NO ADJUSTMENT TO MAINTAIN CURRENT SERVICE CHARGE LEVEL

Monthly Consumption

RESIDENTIAL CLASS

For the purpose of this estimate, ***Other Charges*** *include Retail Transmission Rate of $0.0107, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0239/kWh. These charges may differ slightly for your utility.*
In addition, consumption has not been adjusted for line losses.

ENTER DESIRED CONSUMPTION LEVEL (kWh)		CURRENT 2004 BILL kWh	RATE $/kWh	CHARGE ($)		FUTURE 2005 BILL kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
100	Monthly Service Charge	N/A	N/A	$ 16.21	Monthly Service Charge	N/A	N/A	$ 13.88		
	Distribution (kWh)	100	$ 0.0093	$ 0.93	Distribution (kWh)	100	$ 0.0118	$ 1.18		
			Sub-Total	$ 17.14			Sub Total	$ 15.05	$ (2.09)	-12.17%
	Other Charges (kWh)	100	$ 0.0239	$ 2.39	Other Charges (kWh)	100	$ 0.0239	$ 2.39		
	Cost of Power (kWh)	100	$ 0.0470	$ 4.70	Cost of Power (kWh)	100	$ 0.0470	$ 4.70		
	Current 2004 Bill			$ 24.23	Adjusted 2005 Bill			$ 22.14	$ (2.09)	-8.61%
250	Monthly Service Charge	N/A	N/A	$ 16.21	Monthly Service Charge	N/A	N/A	$ 13.88		
	Distribution (kWh)	250	$0.0093	$ 2.33	Distribution (kWh)	250	$ 0.0118	$ 2.94		
			Sub-Total	$ 18.54			Sub Total	$ 16.82	$ (1.72)	-9.27%
	Other Charges (kWh)	250	$ 0.0239	$ 5.98	Other Charges (kWh)	250	$ 0.0239	$ 5.98		
	Cost of Power (kWh)	250	$ 0.0470	$ 11.75	Cost of Power (kWh)	250	$ 0.0470	$ 11.75		
	Current 2004 Bill			$ 36.26	Adjusted 2005 Bill			$ 34.54	$ (1.72)	-4.74%
500	Monthly Service Charge	N/A	N/A	$ 16.21	Monthly Service Charge	N/A	N/A	$ 13.88		
	Distribution (kWh)	500	$0.0093	$ 4.65	Distribution (kWh)	500	$ 0.0118	$ 5.88		
			Sub-Total	$ 20.86			Sub Total	$ 19.75	$ (1.11)	-5.30%
	Other Charges (kWh)	500	$ 0.0239	$ 11.95	Other Charges (kWh)	500	$ 0.0239	$ 11.95		
	Cost of Power (kWh)	500	$ 0.0470	$ 23.50	Cost of Power (kWh)	500	$ 0.0470	$ 23.50		
	Current 2004 Bill			$ 56.31	Adjusted 2005 Bill			$ 55.20	$ (1.11)	-1.96%

Sheet 13 - Estimated Bill Impact Analysis for 2005 Rate Schedule

ENTER DESIRED CONSUMPTION LEVEL (kWh)		kWh	RATE $/kWh	CHARGE ($)		kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
750	Monthly Service Charge	N/A	N/A	$ 16.21	Monthly Service Charge	N/A	N/A	$ 13.88		
	Distribution (kWh)	750	$0.0093	$ 6.98	Distribution (kWh)	750	0.0118	$ 8.81		
			Sub-Total	$ 23.19			Sub Total	$ 22.69	$ (0.49)	-2.12%
	Other Charges (kWh)	750	0.0239	$ 17.93	Other Charges (kWh)	750	0.0239	$ 17.93		
	Cost of Power (kWh)	750	0.0470	$ 35.25	Cost of Power (kWh)	750	0.0470	$ 35.25		
	Current 2004 Bill			$ 76.36	Adjusted 2005 Bill			$ 75.87	$ (0.49)	-0.64%

ENTER DESIRED CONSUMPTION LEVEL (kWh)		kWh	RATE $/kWh	CHARGE ($)		kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
1,000	Monthly Service Charge	N/A	N/A	$ 16.21	Monthly Service Charge	N/A	N/A	$ 13.88		
	Distribution (kWh)	1000	$0.0093	$ 9.30	Distribution (kWh)	1000	0.0118	$ 11.75		
			Sub-Total	$ 25.51			Sub Total	$ 25.63	$ 0.12	0.47%
	Other Charges (kWh)	1000	0.0239	$ 23.90	Other Charges (kWh)	1000	0.0239	$ 23.90		
	Cost of Power (kWh)	750	0.0470	$ 35.25	Cost of Power (kWh)	750	0.0470	$ 35.25		
	Cost of Power (kWh)	250	0.0550	$ 13.75	Cost of Power (kWh)	250	0.0550	$ 13.75		
	Current 2004 Bill			$ 98.41	Adjusted 2005 Bill			$ 98.53	$ 0.12	0.12%

ENTER DESIRED CONSUMPTION LEVEL (kWh)		kWh	RATE $/kWh	CHARGE ($)		kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
1,500	Monthly Service Charge	N/A	N/A	$ 16.21	Monthly Service Charge	N/A	N/A	$ 13.88		
	Distribution (kWh)	1500	$0.0093	$ 13.95	Distribution (kWh)	1500	0.0118	$ 17.63		
			Sub-Total	$ 30.16			Sub Total	$ 31.51	$ 1.35	4.46%
	Other Charges (kWh)	1500	0.0239	$ 35.85	Other Charges (kWh)	1500	0.0239	$ 35.85		
	Cost of Power (kWh)	750	0.0470	$ 35.25	Cost of Power (kWh)	750	0.0470	$ 35.25		
	Cost of Power (kWh)	750	0.0550	$ 41.25	Cost of Power (kWh)	750	0.0550	$ 41.25		
	Current 2004 Bill			$ 142.51	Adjusted 2005 Bill			$ 143.86	$ 1.35	0.94%

ENTER DESIRED CONSUMPTION LEVEL (kWh)		kWh	RATE $/kWh	CHARGE ($)		kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
2,000	Monthly Service Charge	N/A	N/A	$ 16.21	Monthly Service Charge	N/A	N/A	$ 13.88		
	Distribution (kWh)	2000	$0.0093	$ 18.60	Distribution (kWh)	2000	0.0118	$ 23.50		
			Sub-Total	$ 34.81			Sub Total	$ 37.38	$ 2.57	7.39%
	Other Charges (kWh)	2000	0.0239	$ 47.80	Other Charges (kWh)	2000	0.0239	$ 47.80		
	Cost of Power (kWh)	750	0.0470	$ 35.25	Cost of Power (kWh)	750	0.0470	$ 35.25		
	Cost of Power (kWh)	1,250	0.0550	$ 68.75	Cost of Power (kWh)	1,250	0.0550	$ 68.75		
	Current 2004 Bill			$ 186.61	Adjusted 2005 Bill			$ 189.18	$ 2.57	1.38%

Sheet 13 - Estimated Bill Impact Analysis for 2005 Rate Schedule

GENERAL SERVICE < 50 KW

For the purpose of this estimate, ***Other Charges*** *include Retail Transmission Rate of $0.0097, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0229/kWh. These charges may differ slightly for your utility.*
In addition, consumption has not been adjusted for line losses.

ENTER DESIRED CONSUMPTION LEVEL (kWh)	CURRENT 2004 BILL				FUTURE 2005 BILL					
		kWh	RATE $/kWh	CHARGE ($)		kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
1,000	Monthly Service Charge	N/A	N/A	**$ 34.16**	Monthly Service Charge	N/A	N/A	**$ 29.42**		
	Distribution (kWh)	1000	**$ 0.0082**	$ 8.20	Distribution (kWh)	1000	**$ 0.0087**	$ 8.69		
			Sub-Total	**$ 42.36**			**Sub Total**	**$ 38.11**	**$ (4.25)**	**-10.03%**
	Other Charges (kWh)	1000	$ 0.0229	$ 22.90	Other Charges (kWh)	1000	$ 0.0229	$ 22.90		
	Cost of Power (kWh)	1000	$ 0.0470	$ 47.00	Cost of Power (kWh)	1000	$ 0.0470	$ 47.00		
	Current 2004 Bill			**$ 112.26**	**Adjusted 2005 Bill**			**$ 108.01**	**$ (4.25)**	**-3.79%**
2,000	Monthly Service Charge	N/A	N/A	**$ 34.16**	Monthly Service Charge	N/A	N/A	**$ 29.42**		
	Distribution (kWh)	2000	**$0.0082**	$ 16.40	Distribution (kWh)	2000	**$0.0087**	$ 17.38		
			Sub-Total	**$ 50.56**			**Sub Total**	**$ 46.80**	**$ (3.76)**	**-7.44%**
	Other Charges (kWh)	2000	$0.0229	$ 45.80	Other Charges (kWh)	2,000	$0.0229	$ 45.80		
	Cost of Power (kWh)	750	$0.0470	$ 35.25	Cost of Power (kWh)	750	$0.0470	$ 35.25		
	Cost of Power (kWh)	1,250	$0.0550	$ 68.75	Cost of Power (kWh)	1,250	$0.0550	$ 68.75		
	Current 2004 Bill			**$ 200.36**	**Adjusted 2005 Bill**			**$ 196.60**	**$ (3.76)**	**-1.88%**
5,000	Monthly Service Charge	N/A	N/A	**$ 34.16**	Monthly Service Charge	N/A	N/A	**$ 29.42**		
	Distribution (kWh)	5000	**$0.0082**	$ 41.00	Distribution (kWh)	5000	**$0.0087**	$ 43.45		
			Sub-Total	**$ 75.16**			**Sub Total**	**$ 72.87**	**$ (2.29)**	**-3.05%**
	Other Charges (kWh)	5000	$0.0229	$ 114.50	Other Charges (kWh)	5,000	$0.0229	$ 114.50		
	Cost of Power (kWh)	750	$0.0470	$ 35.25	Cost of Power (kWh)	750	$0.0470	$ 35.25		
	Cost of Power (kWh)	4,250	$0.0550	$ 233.75	Cost of Power (kWh)	4,250	$0.0550	$ 233.75		
	Current 2004 Bill			**$ 458.66**	**Adjusted 2005 Bill**			**$ 456.37**	**$ (2.29)**	**-0.50%**

Sheet 13 - Estimated Bill Impact Analysis for 2005 Rate Schedule

ENTER DESIRED CONSUMPTION LEVEL (kWh)		kWh	RATE $/kWh	CHARGE ($)		kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
10,000	Monthly Service Charge	N/A	N/A	$ 34.16	Monthly Service Charge	N/A	N/A	$ 29.42		
	Distribution (kWh)	10000	$0.0082	$ 82.00	Distribution (kWh)	10000	$0.0087	$ 86.90		
			Sub-Total	$ 116.16			Sub Total	$ 116.32	$ 0.16	0.14%
	Other Charges (kWh)	10000	$0.0229	$ 229.00	Other Charges (kWh)	10,000	$0.0229	$ 229.00		
	Cost of Power (kWh)	750	$0.0470	$ 35.25	Cost of Power (kWh)	750	$0.0470	$ 35.25		
	Cost of Power (kWh)	9,250	$0.0550	$ 508.75	Cost of Power (kWh)	9,250	$0.0550	$ 508.75		
	Current 2004 Bill			$ 889.16	Adjusted 2005 Bill			$ 889.32	$ 0.16	0.02%

ENTER DESIRED CONSUMPTION LEVEL (kWh)		kWh	RATE $/kWh	CHARGE ($)		kWh	RATE $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
15,000	Monthly Service Charge	N/A	N/A	$ 34.16	Monthly Service Charge	N/A	N/A	$ 29.42		
	Distribution (kWh)	15000	$0.0082	$ 123.00	Distribution (kWh)	15000	$0.0087	$ 130.35		
			Sub-Total	$ 157.16			Sub Total	$ 159.77	$ 2.61	1.66%
	Other Charges (kWh)	15000	$0.0229	$ 343.50	Other Charges (kWh)	15,000	$0.0229	$ 343.50		
	Cost of Power (kWh)	750	$0.0470	$ 35.25	Cost of Power (kWh)	750	$0.0470	$ 35.25		
	Cost of Power (kWh)	14,250	$0.0550	$ 783.75	Cost of Power (kWh)	14,250	$0.0550	$ 783.75		
	Current 2004 Bill			$ 1,319.66	Adjusted 2005 Bill			$ 1,322.27	$ 2.61	0.20%

GENERAL SERVICE > 50 KW to 3000 KW

For the purpose of this estimate, ***Other Charges*** *include Retail Transmission Rate of $3.91/kW, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0132/kWh. These charges may differ slightly for your utility.*
Cost of Power is estimated to be 5.5 cents/kWh based on the estimate included in the Market Surveillance Panel Market Report of December 17, 2003.
You may have more accurate estimates for your utility. Consumption has not been adjusted for line losses.

		CURRENT 2004 BILL			FUTURE 2005 BILL					
ENTER DESIRED CONSUMPTION LEVEL		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
kW										
60	Monthly Service Charge	N/A	N/A	$ 208.00	Monthly Service Charge	N/A	N/A	$ 179.01		
kWh	Distribution (kW)	60	$3.0104	$ 180.62	Distribution (kW)	60	$2.6347	$ 158.08		
15,000			Sub-Total	$ 388.62			Sub Total	$ 337.09	$ (51.53)	-13.26%
	Other Charges (kW)	60	$3.9100	$ 234.60	Other Charges (kW)	60.00	$3.9100	$ 234.60		
	Other Charges (kWh)	15,000	$0.0132	$ 198.00	Other Charges (kWh)	15,000	$0.0132	$ 198.00		
	Cost of Power (kWh)	15000	$0.0550	$ 825.00	Cost of Power (kWh)	15,000	$0.0550	$ 825.00		
	Current 2004 Bill			$ 1,646.22	Adjusted 2005 Bill			$ 1,594.69	$ (51.53)	-3.13%

Sheet 13 - Estimated Bill Impact Analysis for 2005 Rate Schedule

ENTER DESIRED CONSUMPTION LEVEL		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
kW										
100	Monthly Service Charge	N/A	N/A	$ 208.00	Monthly Service Charge	N/A	N/A	$ 179.01		
kWh	Distribution (kW)	100	$3.0104	$ 301.04	Distribution (kW)	100	$2.6347	$ 263.47		
40,000			Sub-Total	$ 509.04			Sub Total	$ 442.48	$ (66.56)	-13.08%
	Other Charges (kW)	100	$3.9100	$ 391.00	Other Charges (kW)	100.00	$3.9100	$ 391.00		
	Other Charges (kWh)	40,000	$0.0132	$ 528.00	Other Charges (kWh)	40,000	$0.0132	$ 528.00		
	Cost of Power (kWh)	40,000	$0.0550	$ 2,200.00	Cost of Power (kWh)	40,000	$0.0550	$ 2,200.00		
	Current 2004 Bill			$ 3,628.04	Adjusted 2005 Bill			$ 3,561.48	$ (66.56)	-1.83%

ENTER DESIRED CONSUMPTION LEVEL		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
kW										
500	Monthly Service Charge	N/A	N/A	$ 208.00	Monthly Service Charge	N/A	N/A	$ 179.01		
kWh	Distribution (kW)	500	$3.0104	$ 1,505.20	Distribution (kW)	500	$2.6347	$ 1,317.33		
100,000			Sub-Total	$ 1,713.20			Sub Total	$ 1,496.35	$ (216.85)	-12.66%
	Other Charges (kW)	500	$3.9100	$ 1,955.00	Other Charges (kW)	500.00	$3.9100	$ 1,955.00		
	Other Charges (kWh)	100,000	$0.0132	$ 1,320.00	Other Charges (kWh)	100,000	$0.0132	$ 1,320.00		
	Cost of Power (kWh)	100,000	$0.0550	$ 5,500.00	Cost of Power (kWh)	100,000	$0.0550	$ 5,500.00		
	Current 2004 Bill			$ 10,488.20	Adjusted 2005 Bill			$ 10,271.35	$ (216.85)	-2.07%

ENTER DESIRED CONSUMPTION LEVEL		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
kW										
1,000	Monthly Service Charge	N/A	N/A	$ 208.00	Monthly Service Charge	N/A	N/A	$ 179.01		
kWh	Distribution (kW)	1,000	$3.0104	$ 3,010.40	Distribution (kW)	1000	2.6347	$ 2,634.67		
400,000			Sub-Total	$ 3,218.40			Sub Total	$ 2,813.68	$ (404.72)	-12.58%
	Other Charges (kW)	1,000	3.9100	$ 3,910.00	Other Charges (kW)	1,000.00	3.9100	$ 3,910.00		
	Other Charges (kWh)	400,000	0.0132	$ 5,280.00	Other Charges (kWh)	400,000	0.0132	$ 5,280.00		
	Cost of Power (kWh)	400,000	0.0550	$ 22,000.00	Cost of Power (kWh)	400,000	0.0550	$ 22,000.00		
	Current 2004 Bill			$ 34,408.40	Adjusted 2005 Bill			$ 34,003.68	$ (404.72)	-1.18%

Sheet 13 - Estimated Bill Impact Analysis for 2005 Rate Schedule

ENTER DESIRED CONSUMPTION LEVEL		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
kW										
4,000	Monthly Service Charge	N/A	N/A	$ 208.00	Monthly Service Charge	N/A	N/A	$ 179.01		
kWh	Distribution (kW)	4,000	$0.0104	$ 12,041.60	Distribution (kW)	4000	2.6347	$ 10,538.68		
1,800,000			Sub-Total	$ 12,249.60			Sub Total	$ 10,717.69	$ (1,531.91)	-12.51%
	Other Charges (kW)	4,000	3.9100	$ 15,640.00	Other Charges (kW)	4,000.00	3.9100	$ 15,640.00		
	Other Charges (kWh)	1,800,000	0.0132	$ 23,760.00	Other Charges (kWh)	1,800,000	0.0132	$ 23,760.00		
	Cost of Power (kWh)	1,800,000	0.0550	$ 99,000.00	Cost of Power (kWh)	1,800,000	0.0550	$ 99,000.00		
	Current 2004 Bill			$ 150,649.60	Adjusted 2005 Bill			$ 149,117.69	$ (1,531.91)	-1.02%

INTERMEDIATE CLASS (> 3000 KW to 5000 KW)

For the purpose of this estimate, ***Other Charges*** *include Retail Transmission Rate of $4.2138/kW, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0132/kWh. These charges may differ slightly for your utility.*
Cost of Power is estimated to be 5.5 cents/kWh based on the estimate included in the Market Surveillance Panel Market Report of December 17, 2003.
You may have more accurate estimates for your utility. Consumption has not been adjusted for line losses.

	CURRENT 2004 BILL				FUTURE 2005 BILL					
ENTER DESIRED CONSUMPTION LEVEL		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
kW										
3,000	Monthly Service Charge	N/A	N/A	$ -	Monthly Service Charge	N/A	N/A			
kWh	Distribution (kW)	3,000	$0.0000	$ -	Distribution (kW)	3000		#VALUE!		
800,000			Sub-Total	$ -			Sub Total	#VALUE!	#VALUE!	#VALUE!
	Other Charges (kW)	3,000	4.2138	$ 12,641.40	Other Charges (kWh)	3,000.00	4.2138	$ 12,641.40		
	Other Charges (kWh)	800,000	0.0132	$ 10,560.00	Other Charges (kWh)	800,000	0.0132	$ 10,560.00		
	Cost of Power (kWh)	800,000	0.0550	$ 44,000.00	Cost of Power (kWh)	800,000	0.0550	$ 44,000.00		
	Current 2004 Bill			$ 67,201.40	Adjusted 2005 Bill			#VALUE!	#VALUE!	#VALUE!

ENTER DESIRED CONSUMPTION LEVEL		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
kW										
3,000	Monthly Service Charge	N/A	N/A	$ -	Monthly Service Charge	N/A	N/A			
kWh	Distribution (kW)	3,000	$0.0000	$ -	Distribution (kW)	3000		#VALUE!		
1,000,000			Sub-Total	$ -			Sub Total	#VALUE!	#VALUE!	#VALUE!
	Other Charges (kW)	3,000	4.2138	$ 12,641.40	Other Charges (kWh)	3,000.00	4.2138	$ 12,641.40		
	Other Charges (kWh)	1,000,000	0.0132	$ 13,200.00	Other Charges (kWh)	1,000,000	0.0132	$ 13,200.00		
	Cost of Power (kWh)	1,000,000	0.0550	$ 55,000.00	Cost of Power (kWh)	1,000,000	0.0550	$ 55,000.00		
	Current 2004 Bill			$ 80,841.40	Adjusted 2005 Bill			#VALUE!	#VALUE!	#VALUE!

ENTER DESIRED CONSUMPTION LEVEL		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
kW										
4,000	Monthly Service Charge	N/A	N/A	$ -	Monthly Service Charge	N/A	N/A			
kWh	Distribution (kW)	4,000	$0.0000	$ -	Distribution (kW)	4000		#VALUE!		
1,200,000			Sub-Total	$ -			Sub Total	#VALUE!	#VALUE!	#VALUE!
	Other Charges (kW)	4,000	4.2138	$ 16,855.20	Other Charges (kWh)	4,000.00	4.2138	$ 16,855.20		
	Other Charges (kWh)	1,200,000	0.0132	$ 15,840.00	Other Charges (kWh)	1,200,000	0.0132	$ 15,840.00		
	Cost of Power (kWh)	1,200,000	0.0550	$ 66,000.00	Cost of Power (kWh)	1,200,000	0.0550	$ 66,000.00		
	Current 2004 Bill			$ 98,695.20	Adjusted 2005 Bill			#VALUE!	#VALUE!	#VALUE!

Sheet 13 - Estimated Bill Impact Analysis for 2005 Rate Schedule

ENTER DESIRED CONSUMPTION LEVEL kW		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
4,000	Monthly Service Charge	N/A	N/A	$ -	Monthly Service Charge	N/A	N/A			
kWh	Distribution (kW)	4,000	$0.0000	$ -	Distribution (kW)	4000		#VALUE!		
1,800,000			Sub-Total	$ -			Sub Total	#VALUE!	#VALUE!	#VALUE!
	Other Charges (kW)	4,000	4.2138	$ 16,855.20	Other Charges (kWh)	4,000.00	4.2138	$ 16,855.20		
	Other Charges (kWh)	1,800,000	0.0132	$ 23,760.00	Other Charges (kWh)	1,800,000	0.0132	$ 23,760.00		
	Cost of Power (kWh)	1,800,000	0.0550	$ 99,000.00	Cost of Power (kWh)	1,800,000	0.0550	$ 99,000.00		
	Current 2004 Bill			$ 139,615.20	Adjusted 2005 Bill			#VALUE!	#VALUE!	#VALUE!

LARGE USE CLASS (> 5000 KW)

For the purpose of this estimate, Other Charges include Retail Transmission Rate of $0.047369/kW, Wholesale Market Service Rate of $0.0062 and Debt Reduction Charge of $0.007 for a total of $0.0132/kWh. These charges may differ slightly for your utility.

Cost of Power is estimated to be 5.5 cents/kWh based on the estimate included in the Market Surveillance Panel Market Report of December 17, 2003.

You may have more accurate estimates for your utility. Consumption has not been adjusted for line losses.

	CURRENT 2004 BILL				FUTURE 2005 BILL					
ENTER DESIRED CONSUMPTION LEVEL kW		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
6,000	Monthly Service Charge	N/A	N/A	$ 7,563.93	Monthly Service Charge	N/A	N/A	$ 6,440.85		
kWh	Distribution (kW)	6,000	$2.2127	$ 13,276.20	Distribution (kW)	6000	$1.34	$ 8,046.84		
2,800,000			Sub-Total	$ 20,840.13			Sub Total	$ 14,487.69	$ (6,352.44)	-30.48%
	Other Charges (kW)	6,000	0.0474	$ 284.21	Other Charges (kWh)	6,000.00	0.0474	$ 284.21		
	Other Charges (kWh)	2,800,000	0.0132	$ 36,960.00	Other Charges (kWh)	2,800,000	0.0132	$ 36,960.00		
	Cost of Power (kWh)	2,800,000	0.0550	$ 154,000.00	Cost of Power (kWh)	2,800,000	0.0550	$ 154,000.00		
	Current 2004 Bill			$ 212,084.34	Adjusted 2005 Bill			$ 205,731.91	$ (6,352.44)	-3.00%

ENTER DESIRED CONSUMPTION LEVEL kW		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)		kW/ kWh	RATE $/kW or $/kWh	CHARGE ($)	IMPACT ($)	IMPACT (%)
15,000	Monthly Service Charge	N/A	N/A	$ 7,563.93	Monthly Service Charge	N/A	N/A	$ 6,440.85		
kWh	Distribution (kW)	15,000	$2.2127	$ 33,190.50	Distribution (kW)	15000	$1.34	$ 20,117.11		
10,000,000			Sub-Total	$ 40,754.43			Sub Total	$ 26,557.96	$ (14,196.47)	-34.83%
	Other Charges (kW)	15,000	0.0474	$ 710.54	Other Charges (kWh)	15,000.00	0.0474	$ 710.54		
	Other Charges (kWh)	10,000,000	0.0132	$ 132,000.00	Other Charges (kWh)	10,000,000	0.0132	$ 132,000.00		
	Cost of Power (kWh)	10,000,000	0.0550	$ 550,000.00	Cost of Power (kWh)	10,000,000	0.0550	$ 550,000.00		
	Current 2004 Bill			$ 723,464.97	Adjusted 2005 Bill			$ 709,268.49	$ (14,196.47)	-1.96%

Attachment H

2001
PILs Proxy
Rate Model

	A	B	C	D
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**			
2	**REGULATORY INFORMATION (REGINFO)**			
3				
4	Utility Name: Waterloo North Hydro Inc.			**Amount**
5	Reporting period: Q4, 2001 and Year 2002			
6				
7	**BACKGROUND**			
8	Has the utility reviewed section 149(1) ITA to			
9	confirm that it is not subject to regular corporate			
10	tax (and therefore subject to PILs)?		Y/N	Y
11				
12	Was the utility recently acquired by Hydro One			
13	and now subject to s.89 & 90 PILs?		Y/N	N
14				
15	Accounting Year End		Date	December 31st
16				
17	**MARR NO TAX CALCULATIONS**			
18	**SHEET #7 FINAL RUD MODEL DATA**			
19	**(FROM 1999 FINANCIAL STATEMENTS)**			
20	**USE BOARD-APPROVED AMOUNTS**			
21				
22	Rate base (wires-only)			80,367,575
23				
24	Common Equity Ratio (CER)			50.00%
25				
26	1-CER			50.00%
27				
28	Target Return On Equity			9.88%
29				
30	Debt rate			7.25%
31				
32	Market Adjusted Revenue Requirement			6,883,483
33				
34	1999 return from RUD Sheet #7			3,269,200
35				
36	Total Incremental revenue			3,614,283
37	Input Board-approved dollar amounts phased-in (generally prorated			
38	on the effective date of the inclusion of MARR in rates)			
39	Amount allowed in 2001, Year 1			1,204,761
40	Amount allowed in 2002, Year 2			1,204,761
41	Amount allowed in 2003, Year 3			1,204,761
42				
43	Equity			40,183,788
44				
45	Return at target ROE			3,970,158
46				
47	Debt			40,183,788
48				
49	Deemed interest amount in EBIT			2,913,325
50				
51	Phase-in of interest - Year 1			1,893,533
52	((D34+D39)/D32)*D49			
53	Phase-in of interest - Year 2			2,403,429
54	((D34+D39+D40)/D32)*D49			
55	Phase-in of interest - Year 3 (D49)			2,913,325
56				

	A	B	C	D	E	F	G	H	I	J	K	L
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	**LINE**	**Initial**	Source	Deferral	Deferral	**Deferral**	Source	M of F	M of F	**M of F**	Source
2	**DEFERRAL/VARIANCE ACCOUNTS**		**Estimate**		Account	Account	**Account**		Filing	Filing	**Filing**	
3	**TAX CALCULATIONS (TCALQ401EST)**			Foot-	Variance	Variance	**Allowance**	Foot-	Variance	Variance		Foot-
4				note	G-C	Explanation		note	K-G	Explanation	(June)	note
5	("Wires-only" business - see Tab TAXREC)		$	#	$		$	#	$		$	#
6												
7	Utility Name: Waterloo North Hydro Inc.										Column	
8	Reporting period: Q4, 2001 January 2002										Brought	
9											Forward	
10											From	
11											TAXREC	
12	**I) CORPORATE INCOME TAXES**											
13												
14	ACCOUNTING INCOME											
15	Regulatory Net Income	1		1A	1,118,490		1,118,490	1B	-1,118,490		0	1C
16												
17	BOOK TO TAX ADJUSTMENTS											
18												
19	*Additions: To Accounting Income*											
20	Depreciation & Amortization	2		2A	1,088,812		1,088,812	2B	-1,088,812		0	2C
21	Federal Large Corporation Tax	3		3A	0			3B	0		0	3C
22	Employee Benefit Plans - Accrued, Not Paid	4		4A	256,237		256,237	4B	-256,237		0	4C
23	Change in Tax Reserves	5		5A	0			5B	0		0	5C
24	Regulatory Adjustments	6		6A	0			6B	0		0	6C
25	Other Additions (See Tab entitled "TAXREC")											
26	"Material" Item #1	7		7A	0			7B	0		0	7C
27	"Material" Item #2	7		7A	0			7B	0		0	7C
28	Other Additions (not "Material")	7		7A	0			7B	0		0	7C
29	*Deductions: From Accounting Income*											
30	Capital Cost Allowance	8		8A	-368,900		-368,900	8B	368,900		0	8C
31	Employee Benefit Plans - Paid Amounts	9		9A	-256,237		-256,237	9B	256,237		0	9C
32	Items Capitalized for Regulatory Purposes	10		10A	0			10B	0		0	10C
33	Regulatory Adjustments	11		11A	0			11B	0		0	11C
34	Interest Expense Deemed/ Incurred	12		12A	-473,383		-473,383	12B	473,383		0	12C
35	Other Deductions (See Tab entitled "TAXREC")											
36	"Material" Item #1	13		13A	0			13B	0		0	13C
37	"Material" Item #2	13		13A	0			13B	0		0	13C
38	Other Deductions (not "Material")	13		13A	0			13B	0		0	13C
39												
40	REGULATORY TAXABLE INCOME		0		1,365,019		1,365,019		-1,365,019		0	
41	(sum of above)											
42												
43	CORPORATE INCOME TAX RATE											
44	Deemed %	14	38.6200%	14A	2.0000%		40.6200%	14B	-2.0000%		38.6200%	14C
45												
46	REGULATORY INCOME TAX											
47	Taxable Income x Rate		0		554,471		554,471		-554,471		0	
48												
49	Miscellaneous Tax Credits	15		15A	0			15B	0			15C
50												
51	**Total Regulatory Income Tax**		0		554,471		554,471		-554,471		0	
52												
53												
54												

	A	B	C	D	E	F	G	H	I	J	K	L
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	**LINE**	**Initial**	Source	Deferral	Deferral	**Deferral**	Source	M of F	M of F	**M of F**	Source
2	**DEFERRAL/VARIANCE ACCOUNTS**		**Estimate**		Account	Account	**Account**		Filing	Filing	**Filing**	
3	**TAX CALCULATIONS (TCALQ401EST)**			Foot-	Variance	Variance	**Allowance**	Foot-	Variance	Variance		Foot-
4				note	G-C	Explanation		note	K-G	Explanation	(June)	note
5	("Wires-only" business - see Tab TAXREC)		$	#	$		$	#	$		$	#
55												
56	**II) CAPITAL TAXES**											
57												
58	*Ontario*											
59	Base	16		16A	80,367,575		80,367,575	16B	-80,367,575		0	16C
60	Less: Exemption	17		17A	-5,000,000		-5,000,000	17B	5,000,000		0	17C
61	Deemed Taxable Capital		0		75,367,575		75,367,575		-75,367,575		0	
62												
63	Rate (.3%)	18	0.3000%	18A	0.0000%		0.3000%	18B	0.0000%		0.3000%	18C
64												
65	Net Amount (Taxable Capital x Rate)		0		56,526		56,526		-56,526		0	
66												
67	*Federal (LCT)*											
68	Base	19		19A	80,367,575		80,367,575	19B	-80,367,575		0	19C
69	Less: Exemption	20		20A	-10,000,000		-10,000,000	20B	10,000,000		0	20C
70	Deemed Taxable Capital		0		70,367,575		70,367,575		-70,367,575		0	
71												
72	Rate (.225%)	21	0.2250%	21A	0.0000%		0.2250%	21B	0.0000%		0.2250%	21C
73												
74	Gross Amount (Taxable Capital x Rate)		0		39,582		39,582		-39,582		0	
75	Less: Federal Surtax	22	0	22A	-15,288		-15,288	22B	15,288		0	22C
76												
77	Net LCT		0		24,294		24,294		-24,294		0	
78												
79												
80	**III) INCLUSION IN RATES MARCH 2002**											
81												
82	IncomeTax (grossed-up)	23	0	23A	916,480		916,480	23B	-916,480			n/a
83	LCT (grossed-up)	24	0	24A	40,155		40,155	24B	-40,155			n/a
84	Ontario Capital Tax	25	0	25A	56,526		56,526	25B	-56,526			n/a
85												
86												
87	***Total S. 93 PILs Rate Adjustment***		0		1,013,161		1,013,161		-1,013,161			
88												
89												
90												

	A	B	C	D	E	F	G	H	I	J	K	L
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	**LINE**	**Initial**	Source	Deferral	Deferral	**Deferral**	Source	M of F	M of F	**M of F**	Source
2	**DEFERRAL/VARIANCE ACCOUNTS**		**Estimate**		Account	Account	**Account**		Filing	Filing	**Filing**	
3	**TAX CALCULATIONS (TCALQ401EST)**			Foot-	Variance	Variance	**Allowance**	Foot-	Variance	Variance		Foot-
4				note	G-C	Explanation		note	K-G	Explanation	(June)	note
5	("Wires-only" business - see Tab TAXREC)		$	#	$		$	#	$		$	#
91												
92	***IV) FUTURE TRUE-UPS (post June 2002)***								**DR / (CR)**			
93	Amount in M of F Filing Variance (Column I) that											
94	the Board orders added/subtracted from rates											
95	EBIT	1								No true-up		
96	Depreciation &Amortization	2								No true-up		
97	Federal Large Corporation Tax	3								No true-up		
98	Employee Benefit Plans - Accrued, Not Paid	4							-256,237	True-up		
99	Change in Tax Reserves	5							0	True-up		
100	Regulatory Adjustments	6							0	True-up		
101	Other additions "Material" Item #1	7							0	True-up		
102	Other additions "Material" Item #2	7							0	True-up		
103	Other additions (not "Material")	7								No true-up		
104	Capital Cost Allowance	8								No true-up		
105	Employee Benefit Plans - Paid Amounts	9							256,237	True-up		
106	Items Capitalized for Regulatory Purposes	10							0	True-up		
107	Regulatory Adjustments	11							0	True-up		
108	Interest Adjustment for Tax Purposes (Cell I135)	12							0	True-up-See Below		
109	Other deductions "Material" Item #1	13							0	True-up		
110	Other deductions "Material" Item #2	13							0	True-up		
111	Other deductions (not "Material")	13								No true-up		
112	Miscellaneous Tax Credits	15							0	True-up		
113												
114	**Deferral Account Entry (Positive Entry=Debit)**								0	True-up		
115												
116												
117	**V) INTEREST PORTION OF TRUE-UP**											
118												
119	**Variance Caused By Phase-in of Deemed Debt**											
120												
121	Total deemed interest (REGINFO CELL D49)								-2,913,325			
122	Interest phased-in - (Deferral Account Cell G34)								473,383			
123												
124	Variance due to phase-in of debt stucture								-2,439,941			
125	according to Rate Handbook											
126												
127	**Other Interest Variances (ie Borrowing Levels**											
128	**Above Deemed Debt per Rate Handbook)**											
129												
130	Interest deducted on MoF filing (Cell K34)								0			
131	Total deemed interest (REGINFO CELL D49)								2,913,325			
132												
133	Variance caused by excess debt								2,913,325			
134												
135	**Interest Adjustment for Tax Purposes Cell I108**								0	True-up Amount- Used above		
136												
137	**Total Interest Variance (Cell I34)**								473,383			
138												

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

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

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

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

	A	B	C	D	E	F
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	LINE	M of F	Non-wires	**Wires-only**	Source
2	**TAX RETURN RECONCILIATION (TAXREC)**		Corporate	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	Foot-
4			Return			note
5						#
6						
187						
188	**TOTAL ASSETS**					
189						
190	Total assets per balance sheet				0	
191	Mortgages or other liabilities deducted from				0	
192	assets				0	
193	Share of partnership(s)/ joint venture(s) total				0	
194	assets				0	
195	Subtract: Investment in partnership(s)/joint				0	
196	venture(s)				0	
197						
198	**Total assets as adjusted**		0	0	0	
199						
200	Add: (if deducted from assets)					
201	Contingent, investment, inventory and				0	
202	similar reserves				0	
203	Other reserves not allowed as deductions				0	
204	Subtract:				0	
205	Amounts deducted for income tax				0	
206	purposes in excess of amounts booked				0	
207	Deductible R&D expenditures and ONTTI				0	
208	costs deferred for income tax				0	
209	Subtract: Appraisal surplus if booked				0	
210	Add or subtract: Other adjustments		1	1	2	
211						
212	**Total Assets**		1	1	2	
213						
214	**Investment Allowance**					
215						
216	(Total Eligible Investments / Total Assets) x					
217	Net paid-up capital		0	0	0	
218						
219	**Taxable Capital**					
220						
221	Net paid-up capital		0	0	0	
222	Subtract: Investment Allowance		0	0	0	
223					0	
224	Taxable Capital		0	0	0	
225						
226	**Capital Tax Calculation**					
227						
228	Taxable capital		0	0	0	16C
229						
230	Deduction from taxable capital up to $5,000,000				0	17C
231						
232	Net Taxable Capital		0	0	0	
233						
234	Rate 0.3%		0.3000%	0.3000%	0.3000%	18C
235						
236	Days in taxation year		365	365	365	
237	Divide days by 365		1.0000	1.0000	1.0000	
238						
239	**Ontario Capital Tax**		0	0	0	
240						

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

	A	B	C	D	E	F
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	LINE	M of F	Non-wires	**Wires-only**	Source
2	**TAX RETURN RECONCILIATION (TAXREC)**		Corporate	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	Foot-
4			Return			note
5						#
6						
292						
293	**TAXABLE CAPITAL**					
294						
295	Capital for the year		0	0	0	
296						
297	Deduct: Investment allowance		0	0	0	
298						
299	Taxable Capital for taxation year		0	0	0	19C
300						
301	Deduct: Capital Deduction $10,000,000				0	20C
302						
303	**Taxable Capital**		0	0	0	
304						
305	Rate .225%		0.22500%	0.22500%	0.22500%	21C
306						
307	Days in year		365	365	365	
308	Divide days by 365		1.0000	1.0000	1.0000	
309						
310	**Gross Part I.3 Tax LCT**		0	0	0	
311						
312	Federal Surtax Rate		1.1200%	1.1200%	1.1200%	
313						
314	Federal Surtax = Taxable Income x Surtax Rate		0	0	0	
315						
316	**Net Part I.3 Tax LCT Payable**		0	0	0	
317	(If surtax is greater than Gross LCT, then zero)					
318						
319						
320						

Attachment I

2002
PILs Proxy
Rate Model

	A	B	C	D
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**			
2	**REGULATORY INFORMATION (REGINFO)**			
3				
4	Utility Name: Waterloo North Hydro Inc.			**Amount**
5	Reporting period: Q4, 2001 and Year 2002			
6				
7	**BACKGROUND**			
8	Has the utility reviewed section 149(1) ITA to			
9	confirm that it is not subject to regular corporate			
10	tax (and therefore subject to PILs)?		Y/N	Y
11				
12	Was the utility recently acquired by Hydro One			
13	and now subject to s.89 & 90 PILs?		Y/N	N
14				
15	Accounting Year End		Date	December 31st
16				
17	**MARR NO TAX CALCULATIONS**			
18	**SHEET #7 FINAL RUD MODEL DATA**			
19	**(FROM 1999 FINANCIAL STATEMENTS)**			
20	**USE BOARD-APPROVED AMOUNTS**			
21				
22	Rate base (wires-only)			80,367,575
23				
24	Common Equity Ratio (CER)			50.00%
25				
26	1-CER			50.00%
27				
28	Target Return On Equity			9.88%
29				
30	Debt rate			7.25%
31				
32	Market Adjusted Revenue Requirement			6,883,483
33				
34	1999 return from RUD Sheet #7			3,269,200
35				
36	Total Incremental revenue			3,614,283
37	Input Board-approved dollar amounts phased-in (generally prorated			
38	on the effective date of the inclusion of MARR in rates)			
39	Amount allowed in 2001, Year 1			1,204,761
40	Amount allowed in 2002, Year 2			1,204,761
41	Amount allowed in 2003, Year 3			1,204,761
42				
43	Equity			40,183,788
44				
45	Return at target ROE			3,970,158
46				
47	Debt			40,183,788
48				
49	Deemed interest amount in EBIT			2,913,325
50				
51	Phase-in of interest - Year 1			1,893,533
52	((D34+D39)/D32)*D49			
53	Phase-in of interest - Year 2			2,403,429
54	((D34+D39+D40)/D32)*D49			
55	Phase-in of interest - Year 3 (D49)			2,913,325
56				

	A	B	C	D	E	F	G	H	I	J	K	L
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	**LINE**	**Initial**	Source	Deferral	Deferral	**Deferral**	Source	M of F	M of F	**M of F**	Source
2	**DEFERRAL/VARIANCE ACCOUNTS**		**Estimate**		Account	Account	**Account**		Filing	Filing	**Filing**	
3	**TAX CALCULATIONS (TCAL2002INI)**			Foot-	Variance	Variance	**Allowance**	Foot-	Variance	Variance		Foot-
4				note	G-C	Explanation		note	K-G	Explanation	(June)	note
5	("Wires-only" business - see Tab TAXREC2002)		$	#	$		$	#	$		$	#
6												
7	Utility Name: Waterloo North Hydro Inc.										Column	
8	Reporting period: Year 2002 January 2002										Brought	
9											Forward	
10											From	
11											TAXREC	
12	**I) CORPORATE INCOME TAXES**											
13												
14	ACCOUNTING INCOME											
15	Regulatory Net Income	1	5,678,722	1A	-5,678,722			1B	0		0	1C
16												
17	BOOK TO TAX ADJUSTMENTS											
18												
19	*Additions: To Accounting Income*											
20	Depreciation & Amortization	2	4,355,246	2A	-4,355,246			2B	0		0	2C
21	Federal Large Corporation Tax	3		3A	0			3B	0		0	3C
22	Employee Benefit Plans - Accrued, Not Paid	4	1,202,368	4A	-1,202,368			4B	0		0	4C
23	Change in Tax Reserves	5		5A	0			5B	0		0	5C
24	Regulatory Adjustments	6		6A	0			6B	0		0	6C
25	Other Additions (See Tab entitled "TAXREC")											
26	"Material" Item #1	7		7A	0			7B	0		0	7C
27	"Material" Item #2	7		7A	0			7B	0		0	7C
28	Other Additions (not "Material")	7		7A	0			7B	0		0	7C
29	*Deductions: From Accounting Income*											
30	Capital Cost Allowance	8	-2,927,193	8A	2,927,193			8B	0		0	8C
31	Employee Benefit Plans - Paid Amounts	9	-1,087,368	9A	1,087,368			9B	0		0	9C
32	Items Capitalized for Regulatory Purposes	10		10A	0			10B	0		0	10C
33	Regulatory Adjustments	11		11A	0			11B	0		0	11C
34	Interest Expense Deemed/ Incurred	12	-2,403,429	12A	2,403,429			12B	0		0	12C
35	Other Deductions (See Tab entitled "TAXREC")											
36	"Material" Item #1	13		13A	0			13B	0		0	13C
37	"Material" Item #2	13		13A	0			13B	0		0	13C
38	Other Deductions (not "Material")	13		13A	0			13B	0		0	13C
39												
40	REGULATORY TAXABLE INCOME		4,818,346		-4,818,346		0		0		0	
41	(sum of above)											
42												
43	CORPORATE INCOME TAX RATE											
44	Deemed %	14	38.6200%	14A	0.0000%		38.6200%	14B	0.0000%		38.6200%	14C
45												
46	REGULATORY INCOME TAX											
47	Taxable Income x Rate		1,860,845		-1,860,845		0		0		0	
48												
49	Miscellaneous Tax Credits	15		15A	0			15B	0			15C
50												
51	**Total Regulatory Income Tax**		1,860,845		-1,860,845		0		0		0	
52												
53	Note: the difference between line 22 and 31 represents OPEB											
54												

	A	B	C	D	E	F	G	H	I	J	K	L
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	**LINE**	**Initial**	Source	Deferral	Deferral	**Deferral**	Source	M of F	M of F	**M of F**	Source
2	**DEFERRAL/VARIANCE ACCOUNTS**		**Estimate**		Account	Account	**Account**		Filing	Filing	**Filing**	
3	**TAX CALCULATIONS (TCAL2002INI)**			Foot-	Variance	Variance	**Allowance**	Foot-	Variance	Variance		Foot-
4				note	G-C	Explanation		note	K-G	Explanation	(June)	note
5	("Wires-only" business - see Tab TAXREC2002)		$	#	$		$	#	$		$	#
55												
56	**II) CAPITAL TAXES**											
57												
58	*Ontario*											
59	Base	16	80,367,575	16A	-80,367,575			16B	0		0	16C
60	Less: Exemption	17	-5,000,000	17A	5,000,000			17B	0		0	17C
61	Deemed Taxable Capital		75,367,575		-75,367,575		0		0		0	
62												
63	Rate (.3%)	18	0.3000%	18A	0.0000%		0.3000%	18B	0.0000%		0.3000%	18C
64												
65	Net Amount (Taxable Capital x Rate)		226,103		-226,103		0		0		0	
66												
67	*Federal (LCT)*											
68	Base	19	80,367,575	19A	-80,367,575			19B	0		0	19C
69	Less: Exemption	20	-10,000,000	20A	10,000,000			20B	0		0	20C
70	Deemed Taxable Capital		70,367,575		-70,367,575		0		0		0	
71												
72	Rate (.225%)	21	0.2250%	21A	0.0000%		0.2250%	21B	0.0000%		0.2250%	21C
73												
74	Gross Amount (Taxable Capital x Rate)		158,327		-158,327		0		0		0	
75	Less: Federal Surtax	22	-53,965	22A	53,965		0	22B	0		0	22C
76												
77	Net LCT		104,362		-104,362		0		0		0	
78												
79												
80	**III) INCLUSION IN RATES MARCH 2002**											
81												
82	IncomeTax (grossed-up)	23	2,977,353	23A	-2,977,353		0	23B	0			n/a
83	LCT (grossed-up)	24	166,979	24A	-166,979		0	24B	0			n/a
84	Ontario Capital Tax	25	226,103	25A	-226,103		0	25B	0			n/a
85												
86												
87	***Total S. 93 PILs Rate Adjustment***		3,370,434		-3,370,434		0		0			
88												
89												
90												

	A	B	C	D	E	F	G	H	I	J	K	L
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	**LINE**	**Initial**	Source	Deferral	Deferral	**Deferral**	Source	M of F	M of F	**M of F**	Source
2	**DEFERRAL/VARIANCE ACCOUNTS**		**Estimate**		Account	Account	**Account**		Filing	Filing	**Filing**	
3	**TAX CALCULATIONS (TCAL2002INI)**			Foot-	Variance	Variance	**Allowance**	Foot-	Variance	Variance		Foot-
4				note	G-C	Explanation		note	K-G	Explanation	(June)	note
5	("Wires-only" business - see Tab TAXREC2002)		$	#	$		$	#	$		$	#
91												
92	***IV) FUTURE TRUE-UPS (post June 2002)***								**DR / (CR)**			
93	Amount in M of F Filing Variance (Column I) that											
94	the Board orders added/subtracted from rates											
95	EBIT	1								No true-up		
96	Depreciation &Amortization	2								No true-up		
97	Federal Large Corporation Tax	3								No true-up		
98	Employee Benefit Plans - Accrued, Not Paid	4							0	True-up		
99	Change in Tax Reserves	5							0	True-up		
100	Regulatory Adjustments	6							0	True-up		
101	Other additions "Material" Item #1	7							0	True-up		
102	Other additions "Material" Item #2	7							0	True-up		
103	Other additions (not "Material")	7								No true-up		
104	Capital Cost Allowance	8								No true-up		
105	Employee Benefit Plans - Paid Amounts	9							0	True-up		
106	Items Capitalized for Regulatory Purposes	10							0	True-up		
107	Regulatory Adjustments	11							0	True-up		
108	Interest Adjustment for Tax Purposes (Cell I135)	12							0	True-up-See Below		
109	Other deductions "Material" Item #1	13							0	True-up		
110	Other deductions "Material" Item #2	13							0	True-up		
111	Other deductions (not "Material")	13								No true-up		
112	Miscellaneous Tax Credits	15							0	True-up		
113												
114	**Deferral Account Entry (Positive Entry=Debit)**								0	True-up		
115												
116												
117	**V) INTEREST PORTION OF TRUE-UP**											
118												
119	**Variance Caused By Phase-in of Deemed Debt**											
120												
121	Total deemed interest (REGINFO CELL D49)								-2,913,325			
122	Interest phased-in - (Deferral Account Cell G34)								0			
123												
124	Variance due to phase-in of debt stucture								-2,913,325			
125	according to Rate Handbook											
126												
127	**Other Interest Variances (ie Borrowing Levels**											
128	**Above Deemed Debt per Rate Handbook)**											
129												
130	Interest deducted on MoF filing (Cell K34)								0			
131	Total deemed interest (REGINFO CELL D49)								2,913,325			
132												
133	Variance caused by excess debt								2,913,325			
134												
135	**Interest Adjustment for Tax Purposes Cell I108**								0	True-up Amount- Used above		
136												
137	**Total Interest Variance (Cell I34)**								0			
138												

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

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

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

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

	A	B	C	D	E	F
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	LINE	M of F	Non-wires	**Wires-only**	Source
2	**TAX RETURN RECONCILIATION (TAXREC)**		Corporate	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	Foot-
4			Return			note
5						#
6						
187						
188	**TOTAL ASSETS**					
189						
190	Total assets per balance sheet				0	
191	Mortgages or other liabilities deducted from				0	
192	assets				0	
193	Share of partnership(s)/ joint venture(s) total				0	
194	assets				0	
195	Subtract: Investment in partnership(s)/joint				0	
196	venture(s)				0	
197						
198	**Total assets as adjusted**		0	0	0	
199						
200	Add: (if deducted from assets)					
201	Contingent, investment, inventory and				0	
202	similar reserves				0	
203	Other reserves not allowed as deductions				0	
204	Subtract:				0	
205	Amounts deducted for income tax				0	
206	purposes in excess of amounts booked				0	
207	Deductible R&D expenditures and ONTTI				0	
208	costs deferred for income tax				0	
209	Subtract: Appraisal surplus if booked				0	
210	Add or subtract: Other adjustments		1	1	2	
211						
212	**Total Assets**		1	1	2	
213						
214	**Investment Allowance**					
215						
216	(Total Eligible Investments / Total Assets) x					
217	Net paid-up capital		0	0	0	
218						
219	**Taxable Capital**					
220						
221	Net paid-up capital		0	0	0	
222	Subtract: Investment Allowance		0	0	0	
223					0	
224	Taxable Capital		0	0	0	
225						
226	**Capital Tax Calculation**					
227						
228	Taxable capital		0	0	0	16C
229						
230	Deduction from taxable capital up to $5,000,000				0	17C
231						
232	Net Taxable Capital		0	0	0	
233						
234	Rate 0.3%		0.3000%	0.3000%	0.3000%	18C
235						
236	Days in taxation year		365	365	365	
237	Divide days by 365		1.0000	1.0000	1.0000	
238						
239	**Ontario Capital Tax**		0	0	0	
240						

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

	A	B	C	D	E	F
1	**SECTION 93 PILs TAX GROSS-UP "SIMPIL"**	LINE	M of F	Non-wires	**Wires-only**	Source
2	**TAX RETURN RECONCILIATION (TAXREC)**		Corporate	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	Foot-
4			Return			note
5						#
6						
292						
293	**TAXABLE CAPITAL**					
294						
295	Capital for the year		0	0	0	
296						
297	Deduct: Investment allowance		0	0	0	
298						
299	Taxable Capital for taxation year		0	0	0	19C
300						
301	Deduct: Capital Deduction $10,000,000				0	20C
302						
303	**Taxable Capital**		0	0	0	
304						
305	Rate .225%		0.22500%	0.22500%	0.22500%	21C
306						
307	Days in year		365	365	365	
308	Divide days by 365		1.0000	1.0000	1.0000	
309						
310	**Gross Part I.3 Tax LCT**		0	0	0	
311						
312	Federal Surtax Rate		1.1200%	1.1200%	1.1200%	
313						
314	Federal Surtax = Taxable Income x Surtax Rate		0	0	0	
315						
316	**Net Part I.3 Tax LCT Payable**		0	0	0	
317	(If surtax is greater than Gross LCT, then zero)					
318						
319						
320						

Attachment J

2005
PILs Proxy
Rate Model

SECTION 93 PILs TAX GROSS-UP	PROXY CALCULATION FOR 2005	PILS2005.V1.1

REGULATORY INFORMATION (REGINFO)

Utility Name:	Waterloo North Hydro Inc.
File Number:	RP-2005-0013 / EB-2005-0088
Reporting period:	January 1, 2005 - December 31, 2005
Days in reporting period:	365
Total days in the calendar year:	365

BACKGROUND

1. Are the Capital Tax & Large Corporations Tax Exemptions shared among the corporate group? (Yes or No)	No
2. Please identify the percentage used to allocate the exemption.	100.00%
3. Please explain the basis of the allocation if the percentage is other than 100%.	
4. Accounting Year End	December 31st

MARR NO TAX CALCULATIONS
FROM SHEET #7 FINAL 2001 RUD MODEL DATA
(FROM 1999 FINANCIAL STATEMENTS)

Rate base (wires-only)	$80,367,575.00
Common Equity Ratio (CER)	50.00%
1-CER	50.00%
Target Return On Equity (%)	9.88%
Debt rate	7.25%

			Regulatory Income
Market Adjusted Revenue Requirement	$6,883,483		
1999 return from RUD Sheet #7	$3,269,200		$3,269,200
Total Incremental revenue	$3,614,283		
	Based on Board's Decision (RP-2000-0069)	*Board-Approved Amounts*	
Amount allowed in 2001, Year 1	$1,204,761		$1,204,761
Amount allowed in 2002, Year 2	$1,204,761		$1,204,761
Amount allowed in 2003, Year 3	$1,204,761		$1,204,761
Permanent Changes to Base Rate *(e.g. LPP 5% to 1.5%)*	$375,395		$375,395
C&DM Capital Portion from "C&DM TAX FORECAST" worksheet	84%		
Total Regulatory Income			**$7,258,878**

Equity	$40,183,788
Return at target ROE	$3,970,158
Debt	$40,183,788
Deemed interest amount in EBIT	$2,913,325

SECTION 93 PILs TAX GROSS-UP PROXY CALCULATION FOR 2005 TAX CALCULATIONS (TAXCALC) Utility Name: Waterloo North Hydro Inc. Reporting Period: January 1, 2005 - December 31, 2005 Days in Reporting Period: 365 Total days in the calendar year: 365	ITEM	Proxy Calculation $	Comments
I) CORPORATE INCOME TAXES			
Regulatory Net Income	1	**$7,258,878**	
BOOK TO TAX ADJUSTMENTS			
Additions:			
Depreciation & Amortization	2	**$4,355,246**	
Employee Benefit Plans - Accrued, Not Paid	3	$0	
Tax reserves deducted in prior year	4	$0	
Reserves from financial statements-end of year	4	$0	
Regulatory Adjustments	5	$0	
Other Additions			
"Material" Items	6	$0	
Other Additions	6	$0	
"Material Items	6	$0	
Other Additions	6	$0	
Deductions:			
Capital Cost Allowance and CEC	7	**$2,927,193**	
Employee Benefit Plans - Paid Amounts	8	$0	
Items Capitalized for Regulatory Purposes	9	$0	
Regulatory Adjustments	10	$0	
Interest Expense Deemed	11	**$2,913,325**	
Tax reserves claimed in current year	4	$0	
Reserves from F/S beginning of year	4	$0	
Contributions to deferred income plans	3	$0	
Contributions to pension plans	3	$0	
Interest capitalized for accounting but deducted for tax	11	$0	
Other Deductions			
"Material" Items	12	$0	
C&DM 2005 Incremental OM&A expenses per C&DM Plan	12	**$150,000**	
Material Items	12	$0	
Other Deductions	12	$0	
REGULATORY TAXABLE INCOME		**$5,623,606**	
CORPORATE INCOME TAX RATE			
Deemed %	13	36.12%	
REGULATORY INCOME TAX Taxable Income x Rate		$2,031,247	
Miscellaneous Tax Credits	14	$0	
Total Regulatory Income Tax		**$2,031,247**	

SECTION 93 PILs TAX GROSS-UP PROXY CALCULATION FOR 2005 TAX CALCULATIONS (TAXCALC) Utility Name: Waterloo North Hydro Inc. Reporting Period: January 1, 2005 - December 31, 2005 Days in Reporting Period: 365 Total days in the calendar year: 365	ITEM	Proxy Calculation $	Comments
Percentage used to determine the exemptions for capital tax and large corporations tax		100%	
II) CAPITAL TAXES			
Ontario			
Rate Base	15	$80,367,575	
Less: Exemption	16	$7,500,000	
Deemed Taxable Capital		$72,867,575	
Rate (.3%)	17	0.3000%	
Net Amount (Taxable Capital x Rate)		**$218,603**	
Federal (LCT)			
Base	18	$80,367,575	
Less: Exemption	19	$50,000,000	
Deemed Taxable Capital		$30,367,575	
Rate (.175%)	20	0.1750%	
Gross Amount (Taxable Capital x Rate)		$53,143	
Less: Federal Surtax	21	$62,984	
Net LCT		**$0**	
III) INCLUSION IN RATES			
Income Tax Rate used for gross- up		36.12%	
Income Tax (grossed-up)	22	$3,179,785	
LCT (grossed-up)	23	$0	
Ontario Capital Tax	24	$218,603	
Total S. 93 PILs Rate Adjustment ***(Enter this amount in the 2005 RAM, Sheet #4, cell G14)***	**25**	**$3,398,388**	

SECTION 93 PILs TAX GROSS-UP "SIMPIL"

Corporate Tax Rates for 2005

Income Range	$0 to $400,000	$400,001 to $1,128,000	> $1,128,000
Income Tax Rate	18.62%	27.50%	36.12%
Capital Tax Rate	0.300%		
LCT Rate	0.175%		
Surtax	1.12%		
Ontario Capital Tax Exemption	$7,500,000		
Federal Large Corporations Tax Exemption	$50,000,000		

Conservation and Demand Management Tax Forecast

Utility Name: Waterloo North Hydro Inc.
File Number: RP-2005-0013
EB-2005-0088

	Jan - Dec 2005		Jan - Dec 2006		Jan - Sept 30th 2007		Total	
	$	%	$	%	$	%	$	%
Capital	$765,000	84%	$100,000	53%	$50,000	50%	**$915,000**	76%
Tax Deductible Expense	$150,000	16%	$90,000	47%	$50,000	50%	**$290,000**	24%
Total	**$915,000**	**100%**	**$190,000**	**100%**	**$100,000**	**100%**	**$1,205,000**	**100%**

Notes:

1. Capital that will be recognized for tax purposes (i.e. UCC addition), not from a capital budget or commitment perspective.

2. Expenses to be recognized in the period shown that will be used as a tax deduction for the same period. The 2005 tax deductible expense amount will be entered automatically into the TAXCALC worksheet, cell C44.

3. The amounts shown in the "Total" column should agree with the C&DM plan filed with or approved by the Board. The amount of the third tranche of MARR is the maximum amount unless the utility has applied for a lower amount.

Attachment K

2002
Board Decision

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

Commission de l'Énergie de l'Ontario
C.P. 2319
26e étage
2300, rue Yonge
Toronto ON M4P 1E4
Téléphone; 416- 481-1967
Télécopieur: 416- 440-7656
Numéro sans frais: 1-888-632-6273

Ontario

BY PRIORITY POST

February 22, 2002

Alvin Clark
General Manager & Secretary
Waterloo North Hydro Inc.
P.O. Box 640
300 Northfield Drive East
Waterloo, ON
N2J 4A3

Dear Mr. Clark:

Re: Waterloo North Hydro Inc.
Market Adjusted Rate of Return (MARR) Application
Board File No. RP-2002-0039/EB-2002-0048

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

Yours truly,

Peter H. O'Dell
Assistant Board Secretary

Encl.

Ontario Energy Board

Commission de l'Énergie de l'Ontario

Ontario

RP-2002-0039
EB-2002-0048

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

AND IN THE MATTER OF an Application by Waterloo North Hydro Inc. for an order or orders approving or fixing just and reasonable rates.

BEFORE: Paul Vlahos
Vice Chair and Presiding Member

George Dominy
Vice Chair and Member

DECISION AND ORDER

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

Waterloo North Hydro Inc. ("the Applicant") filed an Application ("the Application"), dated January 25, 2002, for an order or orders under section 78 of the *Ontario Energy Board Act, 1998* approving or fixing just and reasonable rates for the distribution of electricity, effective March 1, 2002.

The Board published a generic Notice in newspapers across Ontario informing ratepayers of the distribution rate adjustments to be effective March 1, 2002 and

providing the opportunity for ratepayers to participate in the proceeding or comment on the utility's application. In response to the Board's generic Notice, the Board received a total of 148 submissions in the form of a letter, facsimile, or e-mail. The total may be apportioned to the following four categories:

- 100 were copies of a template submission seeking an oral hearing, wanting to make oral submissions, claiming that rates are not just and reasonable. Another 9 were of the same template but indicated they did not wish to make an oral submission.

- 10 indicated that there should be an oral hearing and wanted to make a submission.

- 11 indicated that there should be an oral hearing but did not wish to make an oral submission.

- 18 made substantive submissions.

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

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

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

- Input Price Inflation (IPI) and Productivity Factor as provided for in the Performance Based Regulation (PBR) Plan.

- the second of three installments of the utility's incremental Market Adjusted Revenue Requirement (MARR), $1,204,761.

- the 2001 deferred Payments in Lieu of Taxes (PILs), $1,030,447.

- the 2002 Payments in Lieu of Taxes (PILs), $3,468,785.

- a change in the utility's late payment penalty and a provision to account for revenue losses incurred by this change, $375,395.

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

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

Board Findings

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

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

Another good reason may be where an oral hearing would allow the Board to more expeditiously deal with an application.

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

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

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

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

The Board adjusts the Applicant's proposals for the following reasons. For both 2001 and 2002, the Applicant did not adjust the income tax gross-up for the 1.12% LCT tax rate. Additionally, the 2002 capital cost allowance was recalculated using a declining balance. As a result,

- the 2001 deferred Payments in Lieu of Taxes (PILs) amount was adjusted to correct for an overstatement of $17,286.

- the 2002 Payments in Lieu of Taxes (PILs) amount was adjusted to correct for an overstatement of $98,351.

Subject to the these adjustments, the Board finds that the Applicant's proposals conform with the Board's earlier decisions, directives and guidelines and that the resulting rates are just and reasonable.

THE BOARD ORDERS THAT:

1) The rates set out in Appendix "A" of this Order are approved effective March 1, 2002.

2) The Applicant shall notify its customers of the rate changes coincident with the first bills reflecting the new rates.

DATED at Toronto, February 22, 2002.

ONTARIO ENERGY BOARD

Peter H. O'Dell
Assistant Board Secretary

Appendix "A"

RP-2002-0039
EB-2002-0048

February 22, 2002

ONTARIO ENERGY BOARD

Peter H. O'Dell
Assistant Board Secretary

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

RP-2002-0039
EB-2002-0048

Time Periods for Time of Use (Eastern Standard Time)

Winter: All Hours, October 1 through March 31
Summer: All Hours, April 1 through September 30
Peak: 0700 to 2300 hours (local time) Monday to Friday inclusive, except for public holidays including New Year's Day, Good Friday, Victoria Day, Canada Day, Civic Holiday (Toronto) Labour Day, Thanksgiving Day, Christmas Day and Boxing Day.
Off Peak: All Other Hours.

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

RESIDENTIAL

Monthly Service Charge	(per month)	$16.21
Distribution Volumetric Rate	(per kWh)	$0.0093
Cost of Power Rate	(per kWh)	$0.0736

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	$34.16
Distribution Volumetric Rate	(per kWh)	$0.0081
Cost of Power Rate	(per kWh)	$0.0728

GENERAL SERVICE > 50 KW (Non Time of Use)

Monthly Service Charge	(per month)	$208.00
Distribution Volumetric Rate	(per kW)	$3.1776
Cost of Power Demand Rate	(per kW)	$6.0500
Cost of Power Energy Rate	(per kWh)	$0.0528

LARGE USE

Monthly Service Charge	(per month)	$7,563.93
Distribution Volumetric Rate	(per kW)	$2.3861
Cost of Power - Winter Peak	(per kW)	$10.6300
Cost of Power - Summer Peak	(per kW)	$7.7300
Cost of Power - Winter Peak	(per kWh)	$0.0689
Cost of Power - Winter Off Peak	(per kWh)	$0.0412
Cost of Power - Summer Peak	(per kWh)	$0.0582
Cost of Power - Summer Off Peak	(per kWh)	$0.0306

SENTINEL LIGHTS (Non Time of Use)

Monthly Service Charge	(per connection	$2.16
Distribution Volumetric Rate	(per kW)	$18.2943
Cost of Power Demand Rate	(per kW)	$13.4100

STREET LIGHTING (Non Time of Use)

Monthly Service Charge	(per connection	$0.37
Distribution Volumetric Rate	(per kW)	$5.9262
Cost of Power Demand Rate	(per kW)	$22.6600

UNMETERED SCATTERED LOADS

Un-metered scattered loads will be billed as General Service < 50 kW

Monthly Service Charge	(per month)	$34.16
Distribution Volumetric Rate	(per kWh)	$0.0081
Cost of Power Demand Rate	(per kWh)	$0.0728

SPECIFIC SERVICE CHARGES

Late Payment	(per month)		1.50%
	(per annum)		19.56%
Returned Cheque		$	13.00
Collection of Account Charge		$	7.00
Disconnect/Reconnect Charges (non payment of account)			
At Meter - During Regular Hours		$	15.00
At Meter - After Hours		$	27.00
Temporary Pole Service		$	50.00
Check meter		$	5.00
Temporary Service Connection		$	100.00
Transformer Allowance (per kW)		$	0.60
Diversity Adjustment Cr (per kW)	Winter	$	1.80
(discontinued at Market Opening)	Summer	$	1.51

Attachment L

2004
Board Decision

Ontario Energy Board

Commission de l'Énergie de l'Ontario

Ontario

RP-2004-0107
EB-2004-0093

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

AND IN THE MATTER OF an Application by Waterloo North Hydro Inc. for an order or orders approving or fixing just and reasonable rates.

BEFORE: Bob Betts
Presiding Member

Paul Vlahos
Member

DECISION AND ORDER

On January 15, 2004 the Ontario Energy Board ("the Board") issued filing guidelines to all electricity distribution utilities for distribution rate adjustments related to the recovery of Regulatory Assets, to be effective March 1, 2004 and implemented on April 1, 2004.

The Applicant filed an application for such adjustment. Notice of the proceeding was published on February 5, 2004 in major newspapers in the province.

While the Board had originally intended to approve the disposal of RSVA amounts on a final basis, on analysis of the applications by distributors and the reporting of RSVA amounts in these applications, the Board has now determined that all rate changes should be interim. In the Board's view, it would be premature to set these rates final based on the quality of the data contained in many of the applications and the fact that the audit sampling process by the Board has not been completed.

The Board received some interventions in these proceedings, mainly concerned with Phase Two of the process. The only intervenor to make specific submissions on Phase One of the proceeding was the School Energy Coalition, ("SEC") who objected to any interim increase in rates over and above the RSVA amounts on the basis that appropriate

evidence had not been filed on these amounts. The Board is not convinced by SEC's arguments and sees no reason that Phase One cannot proceed. Phase One only contemplates partial recovery on an interim basis at this time. In Phase Two, the Board will review all applications to ensure that only prudent and reasonably incurred costs are recovered over the four year period mandated by the Minister.

In light of the above, the Board finds that it is in the public interest to order as follows.

THE BOARD ORDERS THAT:

1) The rate schedule attached is approved on an interim basis, effective March 1, 2004, to be implemented on April 1, 2004. All other rates currently in effect that are not shown on the attached schedule remain in force. If the Applicant's billing system is not capable of prorating to accommodate the April 1, 2004 implementation date, the new rates shall be implemented with the first billing cycle for electricity taken or considered to have been taken from April 1, 2004.

2) The Applicant shall notify its customers of the rate changes by including the brochure provided by the Board through a different process, no later than with the first customer bill reflecting the new rates, and provide to the Board samples of any other notices sent by the Applicant to its customers with respect to the rate changes. The Board expects the Applicant to provide notice to all customers about the rate changes, no later than with the first bill reflecting the new rates.

DATED at Toronto, March 15, 2004

ONTARIO ENERGY BOARD



Peter H. O'Dell
Assistant Secretary

Interim Rates
Waterloo North Hydro Inc.
Schedule of Changed Distribution Rates and Charges
Effective Date: March 1, 2004
Implementation Date: April 1, 2004

RP-2004-0107
EB-2004-0093

RESIDENTIAL

Monthly Service Charge	(per month)	$16.21
Distribution Volumetric Rate	(per kWh)	$0.0093

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	$34.16
Distribution Volumetric Rate	(per kWh)	$0.0082

GENERAL SERVICE > 50 KW (Non Time of Use)

Monthly Service Charge	(per month)	$208.00
Distribution Volumetric Rate	(per kW)	$3.0104

LARGE USE

Monthly Service Charge	(per month)	$7,563.93
Distribution Volumetric Rate	(per kW)	$2.2127

STREET LIGHTING (Non Time of Use)

Monthly Service Charge	(per connection)	$0.37
Distribution Volumetric Rate	(per kW)	$5.9388

UNMETERED SCATTERED LOAD

Billed as General Service <50 kW

Attachment M

2005
Board Decision

Ontario Energy Board

Commission de l'Énergie de l'Ontario

Ontario

RP-2005-0013
EB-2005-0088

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

AND IN THE MATTER OF an Application by **Waterloo North Hydro Inc.** for an order or orders approving or fixing just and reasonable rates.

BEFORE: Gordon Kaiser
Vice Chair and Presiding Member

Paul Vlahos
Member

Pamela Nowina
Member

DECISION AND ORDER

Background and Application

In November 2003 the Ontario government announced that it would permit local distribution companies to apply to the Board for the next installment of their allowable return on equity beginning March 1, 2005. The Government also indicated that the Board's approval would be conditional on a financial commitment to reinvest in conservation and demand management initiatives, an amount equal to one year's incremental returns.

Also in November 2003, the Government announced, in conjunction with the introduction of Bill 4, the *Ontario Energy Board Amendment Act, (Electricity Pricing), 2003*, that electricity distributors could start recovering Regulatory Assets in their rates, beginning March 1, 2004, over a four year period.

In February and March, 2004, the Board approved the applications of distributors to recover 25% of their December 31, 2002 Regulatory Asset balances (or additional amounts for rate stability) in their distribution rates on an interim basis effective March 1, 2004 and implemented on April 1, 2004.

On December 20, 2004 the Board issued filing guidelines to all electricity distribution utilities for the April 1, 2005 distribution rate adjustments. The guidelines allowed the applicants to recover three types of costs. These costs concern (i) the rate recovery of the third tranche of the allowable return on equity (Market Adjusted Revenue Requirement or "MARR"), (ii) the 2005 proxy allowance for payments in lieu of taxes ("PILs") and (iii) a second installment of the recovery of Regulatory Assets.

A generic Notice of the proceeding was published on January 25, 2005 in major newspapers in the province, which provided a 14 day period for submissions from interested parties. On February 4, 2005, the Board issued Procedural Order No. 1, providing for an extension for submissions until February 16, 2005 and also providing for reply submissions from applicants and other parties.

The Applicant filed an application for adjustments to their rates for the following amounts:

MARR: $ 1,204,761
2005 PILs Proxy: $ 3,398,388
Regulatory Assets Second Tranche: ($ 492,978)

The Applicant also applied for recovery of amounts and/or items outside of the guidelines. Specifically, the Applicant requested:

- a rate adjustment to keep the Monthly Service Charge in each class constant.

Submissions

The Board received one submission which addressed the 2005 rate setting process in general. This submission was made by School Energy Coalition (SEC). SEC objected to the guideline which caused the recovery of the 2005 PILs proxy to be reflected only on the variable charge. SEC was also concerned that monthly service charges and overall distribution charges varied significantly between utilities across the province. SEC also raised concerns regarding the consistency of, and access to, information on the applications as filed by the utilities.

Reply submissions to SEC's general submissions were received from the Coalition of Large Distributors, the Electricity Distributors Association, Hydro One Networks, and the LDC Coalition (a group of 7 distributors). These parties generally argued against the recommendations put forward by SEC, by and large indicating that the Board's existing processes for 2006 and 2007 have been planned to address these issues going forward and that these issues should not be added to the 2005 rates adjustment process.

The Applicant was not specifically named in any of these submissions.

The full record of the proceeding is available for review at the Board's offices.

Board Findings

The Board first addresses the general submission of SEC. While SEC raises important issues regarding electricity distribution rates, the Board has put in place a process which will address most of the issues raised by SEC on a comprehensive basis with coordinated cost of service, cost allocation and cost of capital studies for all distributors in 2006, 2007 and 2008. The Board does agree that unless there are compelling reasons to diverge from the Board's original filing guidelines for the 2005 distribution rate adjustment process, distributors should follow the guidelines in their applications.

At this time, the Board will approve only the portion of the application that conforms to the guidelines as the generic notice published informed customers and the public of only the changes contemplated in the guidelines. The Applicant may wish to apply for other specific changes to rates in a separate application.

As a result, the Board has made adjustments to the amounts applied for resulting in the following approved amounts:

MARR: $ 1,204,761
2005 PILs Proxy: $ 3,398,388
Regulatory Assets Second Tranche: -$ 1,911,852

The Board adjusted the application for the recovery of non-RSVA regulatory assets as the applied-for recovery was in excess of the non-RSVA total reported by the Applicant.

Subject to these adjustments, the Board finds that the application conforms with earlier decisions of the Board (including approval for the Applicant's Conservation and Demand Management plan), directives and guidelines.

The Board will issue a separate decision on cost awards.

THE BOARD ORDERS THAT:

1) The rate schedule attached as Appendix "A" is approved effective March 1, 2005, to be implemented on April 1, 2005. All other rates currently in effect that are not shown on the attached schedule remain in force. If the Applicant's billing system is not capable of prorating to accommodate the April 1, 2005 implementation date, the new rates shall be implemented with the first billing cycle for electricity consumed or estimated to have been consumed after April 1, 2005.

2) The Applicant shall notify its customers of the rate changes, no later than with the first bill reflecting the new rates and include the brochure provided by the Board.

DATED at Toronto, March 18, 2005

ONTARIO ENERGY BOARD

Peter H. O'Dell
Assistant Board Secretary

Appendix “A”

RP-2005-0013
EB-2005-0088

March 18, 2005

ONTARIO ENERGY BOARD

Waterloo North Hydro Inc. RP-2005-0013
Schedule of Changed Distribution Rates and Charges EB-2005-0088
Effective Date: March 1, 2005
Implementation Date: April 1, 2005

RESIDENTIAL

Monthly Service Charge	(per month)	$13.88
Distribution Volumetric Rate	(per kWh)	$0.0118

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	$29.42
Distribution Volumetric Rate	(per kWh)	$0.0087

GENERAL SERVICE > 50 KW (Non Time of Use)

Monthly Service Charge	(per month)	$179.01
Distribution Volumetric Rate	(per kW)	$2.6347

LARGE USE

Monthly Service Charge	(per month)	$6,440.85
Distribution Volumetric Rate	(per kW)	$1.3411

STREET LIGHTING (Non Time of Use)

Monthly Service Charge	(per connection)	$0.32
Distribution Volumetric Rate	(per kW)	$6.0076

Unmetered Scattered Loads

Billed at General Service < 50 kW rates

Monthly Service Charge	(per connection)	$29.42
Distribution Volumetric Rate	(per kWh)	$0.0087

The rates on this schedule include an interim recovery of Regulatory Assets.

Attachment N

2001
Tax Returns

T2 CORPORATION INCOME TAX RETURN

Canada Customs and Revenue Agency / Agence des douanes et du revenu du Canada

200

055 Do not use this area

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec, Ontario, or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporate return.

Parts, sections, subsections, and paragraphs mentioned on this return refer to the *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing. If you need more information about items on the return, including proposed legislation, see the corresponding items in the *2000 T2 Corporation Income Tax Guide*.

Send one completed copy of this return, including schedules, and the *General Index of Financial Information* (GIFI) to your tax services office or to the tax centre that serves the corporation. You have to file the return within six months after the end of the corporation's taxation year. For more information on when and how to file T2 returns, see items 1 to 5 in the guide.

CLIENT COPY

Identification

Business Number (BN) 001 865844575RC0001

002 Corporation's name

Waterloo North Hydro Inc. PILS RETURN

Has the corporation changed its name since the last time we were notified? . . . 003 1 Yes ☐ 2 No ☒

If *yes*, do you have a copy of the articles of amendment? . . . . . 004 1 Yes ☐ 2 No ☐

Address of head office

Has the address changed since the last time we were notified? . . . . . 010 1 Yes ☐ 2 No ☒

011 300 Northfield Drive East

012 Box 640

City	Province, territory, or state
015 Waterloo	016 ON
Country (other than Canada)	**Postal Code/ZIP code**
017	018 N2J-4A3

Mailing address (if different from head office address)

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

020 1 Yes ☐ 2 No ☒

021 c/o

022

023

City	Province, territory, or state
025	026
Country (other than Canada)	**Postal code/ZIP code**
027	028

Location of books and records

031 300 Northfield Drive East

032 Box 640

City	Province, territory, or state
035 Waterloo	036 ON
Country (other than Canada)	**Postal Code/ZIP code**
037	038 N2J-4A3

040 Type of corporation at the end of the taxation year

1 ☒ Canadian-controlled private corporation (CCPC)

2 ☐ Other private corporation

3 ☐ Public corporation

4 ☐ Corporation controlled by a public corporation

5 ☐ Other corporation (please specify, below)

If not private (3, 4 or 5), is the corporation subject to Part IV tax? Yes ☐ No ☐

If the type of corporation changed during the taxation year, please provide the effective date of the change . . . . . 043 YYYY/MM/DD

To which taxation year does this return apply?

Taxation year start	Taxation year end
060 2001-10-01	061 2001-12-31
YYYY/MM/DD	YYYY/MM/DD

Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? . . . . . 063 1 Yes ☐ 2 No ☒

If *yes*, provide the date control was acquired . . . . . 065 YYYY/MM/DD

Is the corporation a professional corporation that is a member of a partnership? . . . . . 067 1 Yes ☐ 2 No ☒

Is this the first year of filing after:

Incorporation? . . . . . 070 1 Yes ☐ 2 No ☒

Amalgamation? . . . . . 071 1 Yes ☐ 2 No ☒

If *yes*, please provide Schedule 24

Has there been a windup of a subsidiary under section 88 during the current taxation year?

If *yes*, please provide Schedule 24 . . . . . 072 1 Yes ☐ 2 No ☒

Is this the final taxation year before amalgamation? . . . . . 076 1 Yes ☐ 2 No ☒

Is this the final return up to dissolution? . . . . . 078 1 Yes ☐ 2 No ☒

Is the corporation a resident of Canada?

080 1 Yes ☒ 2 No ☐ If *no*, give the country of residence.

081

Is the non-resident corporation claiming an exemption under an income tax treaty?

If *yes*, please provide Schedule 91 . . . . . 082 1 Yes ☐ 2 No ☒

If the corporation is exempt from tax under section 149 tick one of the following boxes:

085

1 ☐ Exempt under 149(1)(e) or (l)

2 ☐ Exempt under 149(1)(j)

3 ☐ Exempt under 149(1)(t)

4 ☐ Exempt under other paragraphs of section 149

Do not use this area

091	092	093	094	095	096
097					

Attachments

Financial statement information: For taxation years ending in 2000 and later, use GIFI schedules 100, 125, and 141. * We do not print these schedules.
Schedules - Answer the following questions. For each *yes* response, attach to the T2 return the schedule that applies.

Guide	item		Yes	Schedule
27	Is the corporation related to any other corporations?	150	X	9
28	Does the corporation have any non-resident shareholders?	151		19
29	Is the corporation an associated Canadian-controlled private corporation?	160	X	23
30	Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit?	161		49
32	Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's-length transactions with non-residents	162		11
33	If you answered *yes* to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44
34	Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
35	Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
37	Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166		T5004
38	Is the corporation a member of a partnership for which a partnership identification number has been assigned?	167		T5013
40	Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust?	168		22
41	Did the corporation have any foreign affiliates during the year?	169		25
42	Has the corporation made any payments to non-residents of Canada under subsections 202(1) and 105(1) of the federal *Income Tax Regulations*?	170		29
43	Has the corporation had any non-arm's-length transactions with a non-resident?	171		T106
47	Has the corporation made payments to, or received amounts from, a retirement compensation arrangement in the year?	172		—
46	Does the corporation (private corporations only) have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	X	50
53	Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	X	1
76-79	Has the corporation made any charitable donations, gifts to Canada or a province, or gifts of cultural or ecological property?	202		2
80,102	Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203		3
67-74	Is the corporation claiming any type of losses?	204	X	4
128	Is the corporation claiming a provincial tax credit or does it have a permanent establishment in more than one jurisdiction?	205		5
54	Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206		6
100	i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return, b) a partnership, c) a foreign business, or d) a personal services business; or ii) is the corporation claiming the refundable portion of Part I tax?	207		7
55	Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
56	Does the corporation have any property that is eligible capital property?	210		10
57	Does the corporation have any resource-related deductions?	212		12
58	Is the corporation claiming reserves of any kind?	213		13
59	Is the corporation claiming a patronage dividend deduction?	216		16
60	Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217		17
146	Is the corporation an investment corporation or a mutual fund corporation?	218		18
127	Was the corporation carrying on business in Canada while not a Canadian corporation?	220		20 *
115	Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221		21
151	Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226		26 *
108	Does the corporation have any Canadian manufacturing and processing profits?	227		27
118	Is the corporation claiming an investment tax credit?	231		31
61	Is the corporation claiming any scientific research and experimental development expenditures?	232		T661
121	Is the corporation subject to gross Part I.3 tax?	233	X	33/34/35
121	Is the corporation a member of a related group with one or more members subject to gross Part I.3 tax?	236	X	36
121	Is the corporation claiming a surtax credit?	237		37
125	Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
125	Is the corporation claiming a Part I tax credit?	242		42
126	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
126	Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
122	Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249		46
125	For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250		39
125	For life insurance corporations: Is the corporation a member of a related group of insurance corporations with one or more members subject to the additional gross Part VI tax?	251		40
125	For deposit-taking institutions: Is the corporation a member of a related group of financial institutions (other than life insurance corporations) with one or more members subject to the additional Part VI tax?	252		41
148	Is the corporation claiming a Canadian film or video production tax credit refund?	253		T1131

Attachments - continued from page 2

Guide item			Yes	Schedule
149	Is the corporation claiming a film or video production services tax credit refund?	254		T1177
44	Did the corporation have any foreign affiliates that are not controlled foreign affiliates?	255		T1134-A
44	Did the corporation have any controlled foreign affiliates?	256		T1134-B
44	Did the corporation own specified foreign property in the year with a cost amount over $100,000?	257		T1135
44	Did the corporation transfer or loan property to a non-resident trust?	258		T1141
44	Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	259		T1142
—	Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?			T1145
—	Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?			T1146
—	Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?			T1174
—	Is the corporation claiming the BC mining exploration tax credit?			421
—	Is the corporation claiming the BC SR&ED tax credit?			T666

Additional information

Is the corporation inactive? 280 1 Yes ☐ 2 No ☒ X

Has the major business activity changed since the last return was filed? (enter *yes* for first time filers) 281 1 Yes ☐ 2 No ☒ X

What is the corporation's major business activity? (Only complete if *yes* was entered at line 281.) 282 _____

If the major activity involves the resale of goods, indicate whether it is wholesale or retail 283 1 Wholesale ☐ 2 Retail ☐

Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.

284	Electricity	285	100 %
286		287	0 %
288		289	0 %

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI 300 -2,624,081 A

Deduct:	Charitable donations from Schedule 2	311	0	
	Gifts to Canada or a province from Schedule 2	312	0	
	Cultural gifts from Schedule 2	313	0	
	Ecological gifts from Schedule 2	314	0	
	Taxable dividends deductible under section 112, 113, or subsection 138(6) from Schedule 3	320	0	
	Part VI.1 tax deduction from Schedule 43	325	0	
	Non-capital losses of preceding taxation years from Schedule 4	331	0	
	Net-capital losses of preceding taxation years from Schedule 4	332	0	
	Restricted farm losses of preceding taxation years from Schedule 4	333	0	
	Farm losses of preceding taxation years from Schedule 4	334	0	
	Limited partnership losses of preceding taxation years from Schedule 4	335	0	
	Taxable capital gains or taxable dividends allocated from a central credit union	340	0	
	Prospector's and grubstaker's shares	350	0	
	Subtotal		0	0 B
	Subtotal (amount A minus amount B)			0 C
Add:	Section 110.5 additions	355		0 D
Taxable income (amount C plus amount D)		360		0
Income exempt under paragraph 149(1)(t)		370		0
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370)				0 Z

Small business deduction

Canadian-controlled private corporations (CCPCs) throughout the taxation year

Income from active business carried on in Canada from Schedule 7	400	0	A
Taxable income from line 360 or amount Z on page 3, whichever applies, **minus** 10/3 of the amount that would be deductible at line 632*, and 10/4 of line 636, and **minus** any amount that, because of federal law is exempt from Part I tax	405	0	B
Business limit (for associated corporations, enter business limit from Schedule 23)	410	50,411	C

Reduction to business limit:

Amount C 50,411 x 415 ** 0 D / 11,250 = 0 E

Reduced business limit (amount C minus amount E) (if negative, enter "0")	425	50,411	F
Small business deduction - 16.00% of the least of amounts A, B, C, and F (enter amount G on line 9 of page 7)	430	0	G

* Calculate the amount of foreign non-business income tax credit deductible at line 632 without reference to the refundable tax on CCPC's investment income (line 604).

** **Large corporation tax for preceding year** - Enter the total gross Part I.3 tax for the corporation for its preceding taxation year, before deducting the surtax credits, increased to reflect a full-year tax liability if the previous year is less than 51 weeks. For associated corporations, see Schedule 23 for the special rules that apply.

Accelerated tax reduction

Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction

Reduced business limit (amount from line 425)	50,411 x 3/2 =	75,617	A	
Net active business income (amount from line 400) *		0	B	
Taxable income from line 360 or amount Z on page 3, whichever applies, minus 10/4 of line 636 on page 7	0	C		
Deduct: Aggregate investment income (amount from line 440 of page 6)	0	D		
Amount C minus amount D (if negative, enter "0")	0		0	E
The least of amounts A, B, or E above			0	F
Amount Z from Part 9 of Schedule 27	0 x 100/7 =	0	G	
Amount QQ from Part 13 of Schedule 27	0	H		
Resource allowance (amount from line 346 of Schedule 1)	0 x 3 =	0	I	
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)	0	J		
Least of amounts on lines 400, 405, 410, and 425 of the small business deduction	0	K		
Total of amounts G, H, I, J, and K	0		0	L
Amount F minus amount L (if negative, enter "0")			0	M

Amount M 0 x (Number of days in the taxation year after December 31, 2000 / Number of days in the taxation year) 92/92 = 0 N

Accelerated tax reduction - 7% of amount N (enter amount O on line 637 of page 7) 0 O

* Specified partnerships need to use Schedule 70 to calculate net active business income, if the amount at line 450 of Schedule 7 is positive.

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the taxation year

Taxable income from line 360 or amount Z of page 3				0 A
Amount Z from Part 9 of Schedule 27	0 x 100/7		0 B	
Amount QQ from Part 13 of Schedule 27			0 C	
Resource allowance (amount from line 346 of Schedule 1)	0 x 3 =		0 D	
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)			0 E	
Least of amounts on lines 400, 405, 410, and 425 of the small business deduction on page 4			0 F	
Aggregate investment income form line 440 of page 6			0 G	
Amount used to calculate the accelerated tax reduction (amount M of page 4)			0 H	
Total of amounts B, C, D, E, F, G, and H			0	0 I
Amount A minus amount I (if negative, enter "0")				0 J

Amount J	0 x	Number of days in the taxation year in 2001 / Number of days in the taxation year	92 / 92	x 1% =		0 K
Amount J	0 x	Number of days in the taxation year in 2002 / Number of days in the taxation year	0 / 92	x 3% =		0 L
Amount J	0 x	Number of days in the taxation year in 2003 / Number of days in the taxation year	0 / 92	x 5% =		0 M
Amount J	0 x	Number of days in the taxation year after 2003 / Number of days in the taxation year	0 / 92	x 7% =		0 N

General tax reduction for Canadian-controlled private corporations - Total of amounts K, L, M and N (enter amount O on line 638 of page 7) ..... 0 O

General tax reduction

Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or a non-resident-owned investment corporation

Taxable income from line 360 or amount Z of page 3				0 A
Amount Z from Part 9 of Schedule 27	0 x 100/7		0 B	
Amount QQ from Part 13 of Schedule 27			0 C	
Resource allowance (amount from line 346 of Schedule 1)	0 x 3 =		0 D	
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)			0 E	
Total of amounts B, C, D, and E			0	0 F
Amount A minus amount F (if negative, enter "0")				0 G

Amount G	0 x	Number of days in the taxation year in 2001 / Number of days in the taxation year	92 / 92	x 1% =		0 H
Amount G	0 x	Number of days in the taxation year in 2002 / Number of days in the taxation year	0 / 92	x 3% =		0 I
Amount G	0 x	Number of days in the taxation year in 2003 / Number of days in the taxation year	0 / 92	x 5% =		0 J
Amount G	0 x	Number of days in the taxation year after 2003 / Number of days in the taxation year	0 / 92	x 7% =		0 K

General tax reduction - Total of amounts H, I, J and K (enter amount L on line 639 of page 7) ..... 0 L

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the taxation year

Aggregate investment income .... 440 0 x 26 2/3% = ... 0 A
(amount P from Part 1 of Schedule 7)

Foreign non-business income tax credit from line 632 on page 7 0

Deduct:

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

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

Taxable income from line 360 on page 3 0

Deduct:

Least of amounts on lines 400, 405, 410, and 425 on page 4 ... 0

Foreign non-business income tax credit from line 632 of page 7 ..... 0 x 25/9 = 0

Foreign business income tax credit from line 636 of page 7 ..... 0 x 10/4 = 0

0 0

0 x 26 2/3% = 0 D

Part I tax payable minus investment tax credit refund (line 700 minus line 780 of page 8) ... 0

Deduct corporate surtax from line 600 of page 7 0

Net amount ..... 0 0 E

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

Refundable dividend tax on hand

Refundable dividend tax on hand at the end of the preceding taxation year 460 0

Deduct dividend refund for the previous taxation year 465 0

0 0 A

Add the total of:

Refundable portion of Part I tax from line 450 above 0

Total Part IV tax payable from line 360 on page 2 of Schedule 3 0

Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation 480 0

0 0 B

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

Dividend refund

Private and subject corporations at the time taxable dividends were paid in the taxation year

Taxable dividends paid in the taxation year from line 460 on page 2 of Schedule 3 .... 0 x 1/3 0 A

Refundable dividend tax on hand at the end of the taxation year from line 485 above ..... 0 B

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

Part I tax

Base amount of Part I tax - 38.00% of taxable income (line 360 or amount Z, whichever applies) from page 3 ..... 550 0 A

Corporate surtax calculation

Base amount from line A above 0 1

Deduct:

10% of taxable income (line 360 or amount Z, whichever applies) from page 3 ..... 0 2

Investment corporation deduction from line 620 below 0 3

Federal logging tax credit from line 640 below 0 4

Federal qualifying environmental trust tax credit from line 648 below 0 5

For a mutual fund corporation or an investment corporation throughout the taxation year, enter the least of a, b, and c below on line 6:

28.00 % of taxable Income from line 360 of page 3 ..... 0 a

28.00 % of taxed capital gains ..... 0 b

Part I tax otherwise payable ..... 0 c

(line A **plus** lines C and D **minus** line F)

0 6

Total of lines 2 to 6 ..... 0 7

Net amount (line 1 minus line 7) 0 8

Corporate surtax - 4.00 % of the amount on line 8 ..... 600 0 B

Recapture of investment tax credit from line XX in Part 16 of Schedule 31 ..... 602 0 C

Calculation for the refundable tax on Canadian-controlled private corporation's investment income
(for a CCPC throughout the taxation year)

Aggregate investment income from line 440 on page 6 ..... 0 i

Taxable income from line 360 on page 3 0

Deduct:

The least of amounts on lines 400, 405, 410, and 425 of page 4 .. 0

Net amount 0

0 ii

Refundable tax on CCPC's investment income - 6 2/3% of the lesser of amounts i or ii ..... 604 0 D

Subtotal (add lines A, B, C, and D) 0 E

Deduct:

Small business deduction from line 430 of page 4 ..... 0 9

Federal tax abatement 608 0

Manufacturing and processing profits deduction from amount BB or amount VV of Schedule 27 ..... 616 0

Investment corporation deduction 620 0

(taxed capital gains 624 0)

Additional deduction - credit unions from Schedule 17 ..... 628 0

Federal foreign non-business income tax credit from Schedule 21 ..... 632 0

Federal foreign business income tax credit from Schedule 21 ..... 636 0

Accelerated tax reduction from amount O of page 4 ..... 637 0

General tax reduction for CCPCs from amount O of page 5 ..... 638 0

General tax reduction from amount L of page 5 ..... 639 0

Federal logging tax credit from Schedule 21 ..... 640 0

Federal political contribution tax credit 644 0

Federal political contributions 646 0

Federal qualifying environmental trust tax credit 648 0

Investment tax credit from Schedule 31 ..... 652 0

Part VI tax credit from Schedule 42 ..... 656 0

Part I.3 tax credit from Schedule 37 ..... 660 0

Subtotal 0 0 F

Part I tax payable - Line E minus line F (enter amount G on line 700 of page 8) ..... 0 G

Corporation's name	Business Number	Taxation year-end
Waterloo North Hydro Inc. PILS RETURN	865844575RC0001	2001-12-31

Summary of tax and credits

Federal tax

Part I tax payable from page 7	700	0
Part I.3 tax payable from Schedule 33, 34, or 35	704	46,754
Part II surtax payable from Schedule 46	708	0
Part IV tax payable from Schedule 3	712	0
Part IV.1 tax payable from Schedule 43	716	0
Part VI tax payable from Schedule 38	720	0
Part VI.1 tax payable from Schedule 43	724	0
Part XIV tax payable from Schedule 20	728	0
Total federal tax		46,754

Add provincial and territorial tax:

Provincial or territorial jurisdiction 750 ON

(if more than one jurisdiction, enter "multiple" and complete Schedule 5)

Net provincial and territorial tax payable (except Quebec, Ontario, and Alberta)	760	0	
Provincial tax on large corporations (New Brunswick and Nova Scotia)	765	0	
		0	0
Total tax payable	770		46,754 A

Deduct other credits:

Investment tax credit refund from Schedule 31	780	0	
Dividend refund from page 6	784	0	
Federal capital gains refund from Schedule 18	788	0	
Federal qualifying environmental trust tax credit refund	792	0	
Canadian film or video production tax credit refund from Form T1131	796	0	
Film or video production services tax credit refund from Form T1177	797	0	
Tax withheld at source	800	0	
Total payments on which tax has been withheld 801		0	
Allowable refund for non-resident-owned investment corporations from Schedule 26	804	0	
Provincial and territorial capital gains refund from Schedule 18	808	0	
Provincial and territorial refundable tax credits from Schedule 5	812	0	
Royalties deductible under Syncrude Remission Order 815		0	
Tax remitted under Syncrude Remission Order	816	0	
Tax instalments paid	840	46,754	
Total credits	890	46,754	46,754 B

Refund code 894 0 Overpayment 0

Balance (line A minus line B) 0

If the result is negative, you have an **overpayment**.
If the result is positive, you have a **balance unpaid**.

Enter the amount on whichever line applies.
We do not charge or refund a difference of less than $2.

Balance unpaid 0

Enclosed payment 898 0

Direct deposit request

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:

☐ Start ☐ Change information 910 Branch number

914 Institution number 918 Account number

If the corporation is a Canadian-controlled private corporation throughout the taxation year, does it qualify for the one month extension of the date the balance of tax is due? 896 1 Yes ☐ 2 No ☒

Certification

I, 950 LE (Last name in block letters) 951 DUC (First name in block letters) 954 DIRECTOR OF FINANCE (Position, office or rank)

am an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I further certify that the method of calculating income for this taxation year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.

955 2002/06/28 (Date (yyyy/mm/dd)) Signature of an authorized signing officer of the corporation 956 519-886-5090 (Telephone number)

Is the contact person the same as the authorized signing officer? If *no*, complete the information below 957 1 Yes ☒ 2 No ☐

958 Name in block letters 959 Telephone number

Language of correspondence - Langue de correspondance

990 Please indicate the language of your choice. Indiquer la langue de correspondance de votre choix. 1 English/Anglais ☒ 2 Français/French ☐

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Identification of the corporation (Imported Data)

Name of the corporation	Waterloo North Hydro Inc. PILS RETURN		
Business Number	865844575RC0001	Taxation year end	2001-12-31
Address	300 Northfield Drive East	City	Waterloo
Province, Territory	ON	Postal code	N2J-4A3

Balance Sheet

GIFI	Account	Description		Amount	Prior Year
Assets					
1599		Total current assets	+	23,948,988	0
2008		Total tangible capital assets	+	81,032,467	0
2009		Total accumulated amortization of tangible capital assets	-	0	0
2178		Total intangible capital assets	+	0	0
2179		Total accumulated amortization of intangible capital assets	-	0	0
2589		Total long term assets	+	0	0
2590		Assets held in trust	+	0	0
2599		**Total Assets** (mandatory field)	=	104,981,455	0
Liabilities					
3139		Total current liabilities		12,710,928	0
3450		Total long term liabilities		64,531,088	0
3460		Subordinated debt		0	0
3470		Amounts held in trust		0	0
3499		**Total liabilities** (mandatory field)		77,242,016	0
Shareholder equity					
3620		**Total shareholder equity** (mandatory field)		27,739,439	0
3640		**Total Liabilities and Shareholder Equity**		104,981,455	0
3849		**Retained Earnings/Deficit - End** (mandatory field)		3,369,015	0

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Current Assets

GIFI	Account	Description		Amount	Prior year
Cash and deposits					
1000	*	Cash and deposits		1,022,803	0
1001		Cash		0	0
1002		Deposits in Canadian banks and institutions - Canadian currency		0	0
1003		Deposits in Canadian banks and institutions - Foreign currency		0	0
1004		Deposits in foreign banks - Canadian currency		0	0
1005		Deposits in foreign banks - foreign currency		0	0
1006		Credit union central deposits		0	0
1007		Other cash like instruments		0	0
		Cash and deposits	+	1,022,803	0
Accounts receivable					
1060	*	Accounts receivable		18,815,675	0
1062		Trade accounts receivable		0	0
1064		Trade accounts receivable from related parties		0	0
1066		Taxes receivable		0	0
1067		Interest receivable		0	0
1068		Holdbacks receivable		0	0
1069		Leases receivable		0	0
1071		Accounts receivable from employees		0	0
1073		Amounts receivable from members of NPOs		0	0
		Accounts receivable	+	18,815,675	0
Allowance for doubtful accounts					
1061	*	Allowance for doubtful accounts		0	0
1063		Allowance for doubtful trade accounts receivable		0	0
1065		Allowance for doubtful trade accounts receivable related parties		0	0
1070		Allowance for doubtful amounts contained in leases receivable		0	0
1072		Allowance for doubtful accounts receivable from employees		0	0
		Allowance for doubtful accounts	-	0	0

Inventories

1120	*	Inventories	3,895,939	0
1121		Inventory of goods for sale	0	0
1122		Inventory parts and supplies	0	0
1123		Inventory properties	0	0
1124		Inventory of aggregates	0	0
1125		Work in progress	0	0
1126		Raw materials	0	0
1127		Inventory of securities	0	0
		Inventories	+ 3,895,939	0

Short term investments

1180	*	Short term investments	0	0
1181		Canadian term deposits	0	0
1182		Canadian shares	0	0
1183		Canadian bonds	0	0
1184		Canadian treasury bills	0	0
1185		Securities purchased under resale agreements	0	0
1186		Other short term Canadian investments	0	0
1187		Short term foreign investments	0	0
		Short term investments	+ 0	0

Loans and notes receivable

1240	*	Loans and notes receivable	0	0
1241		Demand loans receivable	0	0
1242		Other loans receivable	0	0
1243		Notes receivable	0	0
1244		Mortgages receivable	0	0
		Loans and notes receivable	+ 0	0

Due from shareholder(s)/director(s)

1300	*	Due from shareholder(s)/director(s)	0	0
1301		Due from individual shareholder(s)	0	0
1302		Due from corporate shareholder(s)	0	0
1303		Due from director(s)	0	0
		Due from shareholder(s)/director(s)	+ 0	0

1360		Investment in joint venture(s)/partnership(s)	+ 0	0
1380		Due from joint venture(s)/partnerships(s)	+ 0	0

Due from/investment in related parties

1400	*	Due from/investment in related parties		0	0
1401		Demand notes from related parties		0	0
1402		Interest receivable from related parties		0	0
1403		Loans/advances due from related parties		0	0
		Due from/investment in related parties	+	0	0

1460		Customers' liability under acceptances	+	0	0

Other current assets

1480	*	Other current assets		0	0
1481		Deferred income taxes		0	0
1482		Accrued investment income		0	0
1483		Taxes recoverable/refundable		0	0
1484		Prepaid expenses		214,571	0
1485		Drilling advances		0	0
1486		Security/tender deposits		0	0
		Other current assets	+	214,571	0

1599		**Total Current Assets**	=	23,948,988	0

* Generic Item

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Tangible Capital Assets

GIFI	Account	Description		Amount	Prior year
1600		Land	+	0	0
1601		Land improvements	+	0	0
Depletable assets					
1620	*	Depletable assets		0	0
1622		Petroleum and natural gas properties		0	0
1624		Mining properties		0	0
1626		Deferred exploration and development charges		0	0
1628		Quarries		0	0
1630		Gravel pits		0	0
1632		Timber limits		0	0
		Depletable assets	+	0	0
Buildings					
1680	*	Buildings		0	0
1682		Manufacturing and processing plant		0	0
1684		Buildings under construction		0	0
		Buildings	+	0	0
Machinery, equipment, furniture and fixtures					
1740	*	Machinery, equipment, furniture and fixtures		81,032,467	0
1742		Motor vehicles		0	0
1744		Tools and dies		0	0
1746		Construction and excavating equipment		0	0
1748		Forestry and logging equipment		0	0
1750		Fishing gear and nets		0	0
1752		Mining equipment		0	0
1754		Oil and gas systems		0	0
1756		Production equipment for resource industries		0	0
1758		Production equipment for other than resource industries		0	0
1760		Exploration equipment		0	0
1762		Shipping equipment		0	0
1764		Ships and boats		0	0
1766		Aircraft		0	0
1768		Signs		0	0

Machinery, equipment, furniture and fixtures (cont'd)

1770	Small tools		0	0
1772	Radio and communication equipment		0	0
1774	Computer equipment/software		0	0
1776	Musical instruments		0	0
1778	Satellites		0	0
1780	Earth stations		0	0
1782	Machinery and equipment under construction		0	0
1783	Transportation equipment		0	0
1785	Other machinery and equipment		0	0
1787	Furniture and fixtures		0	0
	Machinery, equipment, furniture and fixtures	+	81,032,467	0

Other tangible capital assets

1900	* Other tangible capital assets		0	0
1902	Logging roads		0	0
1904	Asphalt and parking areas		0	0
1906	Wharves		0	0
1908	Fences		0	0
1910	Capital leases - buildings		0	0
1912	Capital leases - equipment		0	0
1914	Capital leases - vehicles		0	0
1916	Capital leases - others		0	0
1918	Leasehold improvements		0	0
1920	Other capital assets under construction		0	0
1921	Campsites		0	0
	Other tangible capital assets	+	0	0

2008	**Total Tangible Capital Assets**	=	81,032,467	0

* Generic Item

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Current Liabilities

GIFI		Account	Description		Amount	Prior year
2600			Bank overdraft	+	0	0
			Amounts payable and accrued liabilities			
2620	*		Amounts payable and accrued liabilities		11,098,221	0
2621			Trade payables		0	0
2622			Trade payables to related parties		1,399,535	0
2623			Holdbacks payable		0	0
2624			Wages payable		0	0
2625			Management fees payable		0	0
2626			Bonuses payable		0	0
2627			Employee deductions payable		0	0
2628			Withholding taxes payable		0	0
2629			Interest payable		0	0
2630			Amounts payable to members of NPOs		0	0
			Amounts payable and accrued liabilities	+	12,497,756	0
2680			Taxes payable	+	0	0
			Short term debt			
2700	*		Short term debt		0	0
2701			Loans from Canadian banks		0	0
2702			Liability for securities sold short		0	0
2703			Liability for securities sold under repurchase agreements		0	0
2704			Gold and silver certificates		0	0
2705			Cheques and other items in transit		0	0
2706			Lien notes		0	0
			Short term debt	+	0	0
2770			Deferred income	+	0	0
			Due to shareholder(s)/director(s)			
2780	*		Due to shareholder(s)/director(s)		0	0
2781			Due to individual shareholder(s)		0	0
2782			Due to corporate shareholder(s)		0	0
2783			Due to director(s)		0	0
			Due to shareholder(s)/director(s)	+	0	0
2840			Due to joint venture(s)/partnership(s)	+	0	0

Due to related parties

2860	*	Due to related parties		0	0
2861		Demand notes due to related parties		0	0
2862		Interest payable to related parties		0	0
2863		Advances due to related parties		0	0
		Due to related parties	+	0	0

2920		Current portion of long term liability	+	0	0
2940		Bankers' acceptances	+	0	0

Other current liabilities

2960	*	Other current liabilities		70,165	0
2961		Deposits received		143,007	0
2962		Dividends payable		0	0
2963		Deferred income taxes		0	0
2964		Reserve for guarantees, warranties or indemnities		0	0
2965		General provisions/reserves		0	0
2966		Crew shares		0	0
		Other current liabilities	+	213,172	0

3139		**Total Current Liabilities**	=	12,710,928	0

* Generic Item

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Long Term Liabilities

GIFI	Account	Description		Amount	Prior year
Long term debt					
3140	*	Long term debt		61,864,332	0
3141		Mortgages		0	0
3142		Farm credit corporation loan		0	0
3143		Chartered bank loan		0	0
3144		Credit Union/Caisse Populaire loan		0	0
3145		Provincial government loan		0	0
3146		Supply company loan		0	0
3147		Private loan		0	0
3148		Centrals, leagues, and federation loans		0	0
3149		Line of credit		0	0
3150		Liability for securities sold short		0	0
3151		Liability for securities sold under repurchase agreements		0	0
3152		Lien notes		0	0
		Long term debt	+	61,864,332	0
3200		Deposit liabilities of financial institutions	+	0	0
3210		Bonds and debentures	+	0	0
3220		Deferred income	+	0	0
3240		Deferred income taxes	+	0	0
Due to shareholder(s)/director(s)					
3260	*	Due to shareholder(s)/director(s)		0	0
3261		Due to individual shareholder(s)		0	0
3262		Due to corporate shareholder(s)		0	0
3263		Due to director(s)		0	0
		Due to shareholder(s)/director(s)	+	0	0
3270		Due to members	+	0	0
3280		Due to joint venture(s)/partnership(s)	+	0	0
Due to related parties					
3300	*	Due to related parties		0	0
3301		Amounts owing to related Canadian parties		0	0
3302		Amounts owing to related foreign parties		0	0
		Due to related parties	+	0	0

Other long term liabilities

3320	*	Other long term liabilities	2,666,756	0
3321		Long term obligations/commitments/capital leases	0	0
3322		Reserves for guarantees, warranties or indemnities	0	0
3323		Provision for site restoration	0	0
3324		Contributions to qualifying environmental trust	0	0
3325		General provisions/reserves	0	0
3326		Preference shares restated	0	0
3327		Member allocations	0	0
3328		Deferred revenue from incomplete contracts	0	0
		Other long term liabilities +	2,666,756	0
3450		**Total Long Term Liabilities** =	64,531,088	0

* Generic Item

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Shareholder Equity

GIFI	Account	Description		Amount	Prior year
Shareholder equity					
3500		Common shares	+	24,370,424	0
3520		Preferred shares	+	0	0
Contributed and other surplus					
3540	*	Contributed and other surplus		0	0
3541		Contributed surplus		0	0
3542		Appraisal surplus		0	0
3543		General reserve		0	0
		Contributed and other surplus	+	0	0
3570		Head office account	+	0	0
3600		Retained earnings/deficit	+	3,369,015	0
3620		**Total Shareholder Equity**	=	27,739,439	0

* Generic Item

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Retained Earning/Deficit

GIFI	Account	Description		Amount	Prior year
3660		Retained earnings/deficit - start	+	5,670,962	0
3680		Net income/loss	+	-2,301,947	0
		Dividends declared			
3700	*	Dividends declared		0	0
3701		Cash dividends		0	0
3702		Patronage dividends		0	0
		Dividends declared	-	0	0
3720		Prior period adjustments	+	0	0
		Other items affecting retained earnings			
3740	*	Other items affecting retained earnings		0	0
3741		Share redemptions		0	0
3742		Special reserves		0	0
3743		Currency adjustments		0	0
3744		Unusual revenue items		0	0
3745		Interfund transfer		0	0
		Other items affecting retained earnings	+	0	0
3849		**Retained Earnings/Deficit - End**	=	3,369,015	0

* Generic Item

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Income Statement

GIFI	Description		
0001	Operating name	Waterloo North Hydro Inc.	PILS RETURN
0002	Description of the operation	Sale of electricity	
0003	Sequence Number		

GIFI	Account	Description		Amount	Prior year
Income Statement Information					
8089		Total sales of goods and services	+	23,148,991	0
8518		Cost of sales	-	21,940,082	0
8519		**Gross profit/loss**	=	1,208,909	0
8518		Cost of sales	+	21,940,082	0
9367		Total operating expenses	+	4,062,484	0
9368		**Total expenses** (mandatory field)	=	26,002,566	0
8299		Total revenue (mandatory field)	+	23,759,157	0
9368		Total expenses (mandatory field)	-	26,002,566	0
9369		**Net non-farming income**	=	-2,243,409	0
Farming Income Statement Information					
9659		Total farm revenue (mandatory field)	+	0	0
9898		Total farm expenses (mandatory field)	-	0	0
9899		**Net farm income**	=	0	0
9970		**Net Income/Loss before Taxes and Extraordinary Items**		-2,243,409	0

Extraordinary items and income taxes (linked to Schedule 140)

9975	**Extraordinary item(s)**	0	0
9976	Legal settlements	0	0
9980	**Unrealized gains/losses**	0	0
9985	**Unusual items**	0	0
9990	**Current income taxes**	58,538	0
9995	**Deferred income tax provision**	0	0
9999	**Net Income/Loss after Taxes and Extraordinary Items** (mandatory field)	-2,301,947	0

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Revenue

GIFI	Account	Description	Amount	Prior year
8000		Trade sales of goods and services	23,148,991	0
8020		Sales of goods and services to related parties	0	0
8030		Interdivisional sales	0	0

Sales from resource properties

8040	*	Sales from resource properties	0	0
8041		Petroleum and natural gas sales	0	0
8042		Petroleum and natural gas sales to related parties	0	0
8043		Gas marketing	0	0
8044		Processing revenue	0	0
8045		Pipeline revenue	0	0
8046		Seismic sales	0	0
8047		Mining revenue	0	0
8048		Coal revenue	0	0
8049		Oil sands revenue	0	0
8050		Royalty income	0	0
8051		Oil and gas partnership/joint venture income/loss	0	0
8052		Mining partnership/joint venture income/loss	0	0
8053		Other production revenue	0	0
		Sales from resource properties	0	0

8089		**Total sales of goods and services**	23,148,991	0

Investment revenue

8090	*	Investment revenue	0	0
8091		Interest from foreign sources	0	0
8092		Interest from Canadian bonds and debentures	0	0
8093		Interest from Canadian mortgage loans	0	0
8094		Interest from other Canadian sources	0	0
8095		Dividend income	0	0
8096		Dividends from Canadian sources	0	0
8097		Dividends from foreign sources	0	0
		Investment revenue	0	0

Interest income (financial institutions)

8100	*	Interest income (financial institutions)	0	0
8101		Loan interest	0	0
8102		Securities interest	0	0
8103		Deposits with banks interest	0	0
		Interest income (financial institutions)	0	0

Commission revenue

8120	*	Commission revenue	0	0
8121		Commission income on real estate transactions	0	0
		Commission revenue	0	0

Rental revenue

8140	*	Rental revenue	0	0
8141		Real estate rental revenue	0	0
8142		Film rental revenue	0	0
		Rental revenue	0	0

8150		Vehicle leasing	0	0

Fishing revenue

8160	*	Fishing revenue	0	0
8161		Fish products	0	0
8162		Other marine products	0	0
8163		Fishing grants, credits and rebates	0	0
8164		Fishing subsidies	0	0
8165		Compensation for loss of fishing income or property	0	0
8166		Sharesman income	0	0
		Fishing revenue	0	0

Realized gains/losses on disposal of assets

8210	*	Realized gains/losses on disposal of assets	0	0
8211		Realized gains/losses on sale of investments	0	0
8212		Realized gains/losses on sale of resource properties	0	0
		Realized gains/losses on disposal of assets	0	0

NPO amounts received

8220	NPO amounts received	0	0
8221	Membership fees	0	0
8222	Assessments	0	0
8223	Gifts	0	0
8224	Gross sales and revenues from organizational activities	0	0
		0	0

Other revenue

8230	* Other revenue	610,166	0
8231	Foreign exchange gains/losses	0	0
8232	Income/loss of subsidiaries/affiliates	0	0
8233	Income/loss of other divisions	0	0
8234	Income/loss of joint ventures	0	0
8235	Income/loss of partnerships	0	0
8236	Realization of deferred revenues	0	0
8237	Royalty income other than resource	0	0
8238	Alberta royalty tax credits	0	0
8239	Management and administration fees	0	0
8240	Telecommunications revenue	0	0
8241	Consulting fees	0	0
8242	Subsidies and grants	0	0
8243	Sale of by-products	0	0
8244	Deposit services	0	0
8245	Credit services	0	0
8246	Card services	0	0
8247	Patronage dividends	0	0
8248	Insurance recoveries	0	0
8249	Expense recoveries	0	0
8250	Bad debt recoveries	0	0
	Other revenue	610,166	0

8299	**Total Revenue**	23,759,157	0

* Generic Item

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Cost of Sales

GIFI	Account	Description		Amount	Prior year
Opening inventory					
8300	*	Opening inventory		0	0
8301		Opening inventory - finished goods		0	0
8302		Opening inventory - raw materials		0	0
8303		Opening inventory - goods in process		0	0
		Opening inventory	+	0	0
8320		Purchases/cost of materials	+	21,940,082	0
8340		Direct wages	+	0	0
8350		Benefits on direct wages	+	0	0
8360		Trades and sub-contracts	+	0	0
8370		Production costs other than resource	+	0	0
Resource production costs					
8400	*	Resource production costs		0	0
8401		Pipeline operations		0	0
8402		Drilling		0	0
8403		Site restoration costs		0	0
8404		Gross overriding royalty		0	0
8405		Freehold royalties		0	0
8406		Other producing properties rental		0	0
8407		Prospect/geological		0	0
8408		Well operating, fuel and equipment		0	0
8409		Well abandonment and dry holes		0	0
8410		Other lease rentals		0	0
8411		Exploration expenses		0	0
8412		Development expenses		0	0
		Resource production costs	+	0	0
Crown charges					
8435	*	Crown charges		0	0
8436		Crown royalties		0	0
8437		Crown lease rentals		0	0
8438		Freehold mineral tax		0	0
8439		Mining taxes		0	0
8440		Oil sand leases		0	0
8441		Saskatchewan resource surcharge		0	0
		Crown charges	+	0	0

Other direct costs

8450	*	Other direct costs	0	0
8451		Equipment hire and operation	0	0
8452		Log yard	0	0
8453		Forestry costs	0	0
8454		Logging road costs	0	0
8455		Stumpage costs	0	0
8456		Royalty costs	0	0
8457		Freight in and duty	0	0
8458		Inventory write down	0	0
8459		Direct cost amortization of tangible assets	0	0
8460		Direct cost amortization of natural resource assets	0	0
8461		Overhead expenses allocated to cost of sales	0	0
		Other direct costs +	0	0

Closing inventory

8500	*	Closing inventory	0	0
8501		Closing inventory - finished goods	0	0
8502		Closing inventory - raw materials	0	0
8503		Closing inventory - goods in process	0	0
		Closing inventory -	0	0

8518		**Cost of Sales** =	21,940,082	0

* Generic Item

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Operating Expenses

GIFI	Account	Description		Amount	Prior year
Advertising and promotion					
8520	*	Advertising and promotion		94,148	0
8521		Advertising		0	0
8522		Donations		0	0
8523		Meals and entertainment		0	0
8524		Promotion		0	0
		Advertising and promotion	+	94,148	0
8570		Amortization of intangible assets	+	0	0
8590		Bad debt expense	+	0	0
Loan losses					
8610	*	Loan losses		0	0
8611		Provision for loan losses		0	0
		Loan losses	+	0	0
Employee benefits					
8620	*	Employee benefits		0	0
8621		Group insurance benefits		0	0
8622		Employer's portion of employee benefits		0	0
8623		Contributions to deferred income plans		0	0
		Employee benefits	+	0	0
8650		Amortization of natural resource assets	+	0	0
8670		Amortization of tangible assets	+	981,218	0
Insurance					
8690	*	Insurance		0	0
8691		Life insurance on executives		0	0
		Insurance	+	0	0

Interest and bank charges

8710	*	Interest and bank charges	262,882	0
8711		Interest on short term debt	0	0
8712		Interest on bonds and debentures	0	0
8713		Interest on mortgages	0	0
8714		Interest on long term debt	0	0
8715		Bank charges	0	0
8716		Credit card charges	0	0
8717		Collection and credit costs	0	0
		Interest and bank charges +	262,882	0

Interest paid (financial institutions)

8740	*	Interest paid (financial institutions)	0	0
8741		Interest paid on deposits	0	0
8742		Interest paid on bonds and debentures	0	0
		Interest paid (financial institutions) +	0	0

Business taxes, licences and memberships

8760	*	Business taxes, licences and memberships	0	0
8761		Memberships	0	0
8762		Business taxes	0	0
8763		Franchise fees	0	0
8764		Government fees	0	0
		Business taxes, licences and memberships +	0	0

8780		New Brunswick tax on large corporations +	0	0
8790		Nova Scotia tax on large corporations +	0	0

Office expenses

8810	*	Office expenses	0	0
8811		Office stationery and supplies	0	0
8812		Office utilities	0	0
8813		Data processing	0	0
		Office expenses +	0	0

Professional fees

8860	*	Professional fees	0	0
8861		Legal fees	0	0
8862		Accounting fees	0	0
8863		Consulting fees	0	0
8864		Architect fees	0	0
8865		Appraisal fees	0	0
8866		Laboratory fees	0	0
8867		Medical fees	0	0
8868		Veterinary fees	0	0
8869		Brokerage fees	0	0
8870		Transfer fees	0	0
8871		Management and administration fees	0	0
8872		Refining and assay	0	0
8873		Registrar and transfer agent fees	0	0
8874		Restructuring costs	0	0
8875		Security and exchange commission fees	0	0
8876		Training expense	0	0
8877		Studio and recording	0	0
		Professional fees +	0	0

Rental

8910	*	Rental	0	0
8911		Real estate rental	0	0
8912		Occupancy costs	0	0
8913		Condominium fees	0	0
8914		Equipment rental	0	0
8915		Motor vehicle rentals	0	0
8916		Moorage (boat)	0	0
8917		Storage	0	0
8918		Quota rental	0	0
		Rental +	0	0

Repairs and maintenance

8960	*	Repairs and maintenance	0	0
8961		Repairs and maintenance - buildings	0	0
8962		Repairs and maintenance - vehicles	0	0
8963		Repairs and maintenance - boats	0	0
8964		Repairs and maintenance - machinery and equipment	0	0
		Repairs and maintenance +	0	0

Other repairs and maintenance

9010	*	Other repairs and maintenance	0	0
9011		Machine shop expense	0	0
9012		Road costs	0	0
9013		Security	0	0
9014		Garbage removal	0	0
		Other repairs and maintenance +	0	0

Salaries and wages

9060	*	Salaries and wages	0	0
9061		Commissions	0	0
9062		Crew share	0	0
9063		Bonuses	0	0
9064		Directors fees	0	0
9065		Management salaries	0	0
9066		Employee salaries	0	0
		Salaries and wages +	0	0

9110		Sub-contracts +	0	0

Supplies

9130	*	Supplies	0	0
9131		Small tools	0	0
9132		Shop expense	0	0
9133		Uniforms	0	0
9134		Laundry	0	0
9135		Food and catering	0	0
9136		Fishing gear	0	0
9137		Nets and traps	0	0
9138		Salt, bait and ice	0	0
9139		Camp supplies	0	0
9150		Computer-related expenses	0	0
9151		Upgrade	0	0
9152		Internet	0	0
		Supplies +	0	0

9180		Property taxes	0	0

Travel expenses

9200	*	Travel expenses	0	0
9201		Meetings and conventions	0	0
		Travel expenses +	0	0

Utilities

9220	*	Utilities	0	0
9221		Electricity	0	0
9222		Water	0	0
9223		Heat	0	0
9224		Fuel costs	0	0
9225		Telephone and telecommunications	0	0
		Utilities +	0	0

Other expenses

9270	*	Other expenses	363,250	0
9271		Cash over/short	0	0
9272		Reimbursement of parent company expense	0	0
9273		Selling expenses	0	0
9274		Shipping and warehouse expense	0	0
9275		Delivery, freight and express	1,285,578	0
9276		Warranty expenses	0	0
9277		Royalty expenses - resident	0	0
9278		Royalty expenses - non-resident	0	0
9279		Dumping charges	0	0
9280		Land fill fees	0	0
9281		Vehicle expenses	0	0
9282		Research and development	0	0
9283		Withholding taxes	0	0
9284		General and administrative expenses	1,075,408	0
9285		Interdivisional	0	0
9286		Interfund transfer	0	0
		Other expenses	+ 2,724,236	0

9367		**Total Operating Expenses**	= 4,062,484	0

* Generic Item

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

NOTES CHECKLIST
(1998 and later taxation years)

- This form is to be used by all corporations that do not use a software package to prepare financial statement information and are not eligible to use the GIFI-Short form.
- Use this schedule to report a notes checklist for the corporation's financial statement information.
- For more information, see the "Guide to the General Index of Financial Information (GIFI) for Corporations" and the "T2 Corporation Income Tax Guide."
- The following questions have to be answered:
  - questions 100, 101, and 108;
  - if you answer "yes" to question 101, you have to answer questions 102 to 107;
  - if you answer "yes" to question 108, you have to answer question 109.

Part 1 - Involvement of accountant

Who reported on or prepared the corporation's financial statements? ... 100

Tick only one of the following:

		[X]
An independent auditor with a report that expressed no reservation	1	[X]
An independent auditor with a report that expressed a reservation	2	[ ]
An independent accountant with a review engagement report that expressed no reservation	3	[ ]
An independent accountant with a review engagement report that expressed a reservation	4	[ ]
An independent accountant who conducted a compilation engagement with no review	5	[ ]
An independent accountant with a compilation and review engagement resulting in no reservation	6	[ ]
An independent accountant with a compilation and review engagement resulting in a reservation	7	[ ]
Prepared by an employee/associate/management of the company, or a person for the company, without a review/audit by an independent accountant/auditor	8	[ ]

Part 2 - Other information

		Yes/No
Were notes to the financial statements prepared?	101	[Y]
Are any values presented at other than cost?	102	[N]
Has there been a change in accounting policies since the last return?	103	[N]
Are subsequent events mentioned in the notes?	104	[N]
Is re-evaluation of asset information mentioned in the notes?	105	[N]
Is contingent liability information mentioned in the notes?	106	[N]
Is information regarding commitments mentioned in the notes?	107	[N]
Does the corporation have investments in joint venture(s) or partnership(s)?	108	[N]
If "yes," are you filing financial statements of the joint venture(s) or partnership(s)?	109	[ ]

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

CORPORATION LOSS CONTINUITY AND APPLICATION
(2000 and later taxation years)

- For use by a corporation to determine the continuity and use of available losses; to determine the current-year non-capital loss, farm loss, restricted farm loss, and limited partnership loss; to determine the amount of restricted farm loss and limited partnership loss that may be applied in a year; and to request a loss carryback to prior years.
- The corporation can choose whether or not to deduct an available loss from income in a taxation year. It can deduct losses in any order. However, for each type of loss, deduct the oldest loss first.
- For a detailed description and calculation of these losses, see Interpretation Bulletin IT-232, "Losses - Their Deductibility in the Loss Year or in Other Years." For information on these losses, see the "T2 Corporation Income Tax Guide."
- File one completed copy of this schedule with the T2 return, or forward it by itself to the tax centre where the return is filed.
- Parts, sections, subsections, and paragraphs, referred to on this schedule are from the federal "Income Tax Act."

Part 1 - Non-capital losses

Determination of current-year non-capital loss

Net income (loss) for income tax purposes		-2,624,081
Deduct: (increase a loss)		
Net capital losses deducted in the year (enter as a positive amount)	0	
Taxable dividends deductible under sections 112, 113, or subsection 138(6)	0	
Amount of Part VI.1 tax deductible	0	
Amount deductible as prospector's and grubstaker's shares - Paragraph 110(1)(d.2)	0	0
Subtotal (if positive, enter "0")		-2,624,081
Deduct: (increase a loss)		
Section 110.5 - Addition for foreign tax deductions		0
Subtotal		-2,624,081
Add: (decrease a loss)		
Current-year farm loss		0
Current-year non-capital loss (if positive, enter "0")		-2,624,081

Continuity of non-capital losses and request for a carryback

Non-capital loss at the end of preceding taxation year		0	
Deduct: Non-capital loss expired after seven taxation years	100	0	
Non-capital losses at beginning of taxation year	102	0	
Add: Non-capital losses transferred on amalgamation or wind-up of subsidiary corporation	105	0	
Current-year non-capital loss (from calculation above)	110	2,624,081	2,624,081

Waterloo North Hydro Inc. PILS RETURN Sch. 001
Account/Business No.: 865844575RC0001 Year Ended: 2001-12-31

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

NET INCOME (LOSS) FOR INCOME TAX PURPOSES

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes.
- Please provide us with the applicable details in the identification area, and complete the applicable lines that contain a numbered black box. You should report amounts in accordance with the Generally Accepted Accounting Principles (GAAP).
- Sections, subsections, and paragraphs referred to an this shcedule are from the "Income Tax Act."
- For more information, see the "T2 Corporation Income Tax Guide."

Net income (loss) after taxes and extraordinary items per financial statements			-2,301,947	A
Additions:				
Provision for income taxes - current	101	58,538		
Amortization of tangible assets	104	981,218		
Reserves from financial statements - balance at the end of the year	126	2,761,379		
Subtotal of additions		3,801,135	3,801,135	
Other Additions:				
Subtotal of Other Additions	199	0	0	
Total Additions	500	3,801,135	3,801,135	
Deductions:				
Gain on disposal of assets per financial statements	401	4,050		
Capital cost allowance from Schedule 8	403	1,344,106		
Reserves from financial statements-balance at the beginning of the year.	414	2,749,493		
Subtotal of Deductions		4,097,649	4,097,649	
Other Deductions:				
Miscellaneous Other Deductions:				
700 Contributed capital amortization	390	25,620		
701	391	0		
702	392	0		
703	393	0		
704	394	0		
Subtotal of Other Deductions	499	25,620	25,620	
Total Deductions	510	4,123,269	4,123,269	
Net income (loss) for income tax purposes (enter on line 300 on the T2 return)			-2,624,081	

T2 SCH 1 E (01) (Ce formulaire existe en français.)

Continuity of non-capital losses and request for a carryback (cont'd)

Deduct:

Amount applied against taxable income (enter on line 331 of the T2 return)	130	0		
Amount applied against taxable dividends subject to Part IV tax	135	0		
Section 80 - Adjustments for forgiven amounts	140	0		
Subsection 111(10) - Adjustments for fuel tax rebate		0		
Other adjustments	150	0	0	
		Subtotal		2,624,081

Deduct - Request to carry back non-capital loss to:

First preceding taxation year to reduce taxable income	901	0		
Second preceding taxation year to reduce taxable income	902	0		
Third preceding taxation year to reduce taxable income	903	0		
First preceding taxation year to reduce taxable dividends subject to Part IV tax	911	0		
Second preceding taxation year to reduce taxable dividends subject to Part IV tax	912	0		
Third preceding taxation year to reduce taxable dividends subject to Part IV tax	913	0	0	
Non-capital losses - Closing balance	180			2,624,081

Election under paragraph 88(1.1)(f)

Paragraph 88(1.1)(f) election indicator 190 Yes [ ]

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

Part 2 - Capital losses

Continuity of capital losses and request for a carryback

Capital losses at end of preceding taxation year	200	0		
Capital losses transferred on amalgamation or wind-up of subsidiary corporation	205	0		
Current-year capital loss (from Schedule 6 calculation)	210	0	0	
Add:				
Allowable business investment loss expired as non-capital loss	0x 4/3	220	0	
		Subtotal	0	
Deduct:				
Amount applied against current-year capital gain (see note 1)	225	0		
Section 80 - Adjustments for forgiven amounts	240	0		
Other adjustments	250	0	0	
		Subtotal	0	

Deduct - Request to carry back capital loss to: (see note 2)

	Capital gain (100%)	Inclusion Rate		Amount carried back (100%)	
First preceding taxation year	0	0.00	951	0	
Second preceding taxation year	0	0.00	952	0	
Third preceding taxation year	0	0.00	953	0	0
Capital losses - Closing balance			280		0

Part 2 - Capital losses

Continuity of capital losses and request for a carryback (cont'd)

Capital losses carried back to taxation years ending before February 28, 2000, the inclusion rate is 3/4.
Capital losses carried back to taxation years starting after October 17, 2000, the inclusion rate is 2/3.
For taxation years that straddle February 28, 2000 or October 18, 2000, the inclusion rate will be determine by dividing the total taxable capital gain by the total capital gain.

Note 1

On line 332 of the T2 return, enter the amount from line 225 multiplied by the current year inclusion rate (see Schedule 6.)

Note 2

Enter on lines 225, 951, 952, or 953, whichever is applicable, the actual amount of the loss. At the time of the application of the loss carryback, the net capital loss amount will be calculated at the inclusion rate of the year to which the net capital loss it is applied.

Part 3 - Farm losses

Continuity of farm losses and request for a carryback

Farm losses at end of preceding taxation year		0	
Deduct: Farm loss expired after 10 taxation years	300	0	
Farm losses at beginning of taxation year	302	0	
Add: Farm losses transferred on amalgamation or wind-up of subsidiary corporation	305	0	
Current-year farm loss	310	0	0
Deduct:			
Amount applied against taxable income (enter on line 334 of the T2 return)	330	0	
Amount applied against taxable dividends subject to Part IV tax	335	0	
Section 80 - Adjustment forgiven amount	340	0	
Other adjustments	350	0	0
		Subtotal	0
Deduct - Request to carry back farm loss to:			
First preceding taxation year to reduce taxable income	921	0	
Second preceding taxation year to reduce taxable income	922	0	
Third preceding taxation year to reduce taxable income	923	0	
First preceding taxation year to reduce taxable dividends subject to Part IV tax	931	0	
Second preceding taxation year to reduce taxable dividends subject to Part IV tax	932	0	
Third preceding taxation year to reduce taxable dividends subject to Part IV tax	933	0	0
Farm losses - Closing balance	380		0

Restricted Farm Loss Determination:
Is the corporation exempt from the restricted farm loss rules?
(A reply of "NO" triggers the restricted farm loss rules.) [Y/N] [Y]

Part 4 - Restricted farm losses

Current-year restricted farm loss

Total losses for the year from farming business	485		0	A
Minus the deductible farm loss:				
$2,500 plus B or C, whichever is less			2,500	
(Amount A above 0 - $2,500) divided by 2 =		0 B		
		6,250 C	0	2,500
Current-year restricted farm loss (enter this amount on line 410)				0

Continuity of restricted farm losses and request for a carryback

Restricted farm losses at end of preceding taxation year		0	
Deduct: Restricted farm loss expired after 10 taxation years	400	0	
Restricted farm losses at beginning of taxation year	402	0	
Add: Restricted farm losses transferred on amalgamation or wind-up of subsidiary corporation	405	0	
Current-year restricted farm loss (enter on line 233 of Schedule 1)	410	0	0
Deduct:			
Amount applied against farming income (enter on line 333 of the T2 return)	430	0	
Section 80 - Adjustments for forgiven amounts	440	0	
Other adjustments	450	0	0
		Subtotal	0
Deduct - Request to carry back restricted farm loss to:			
First preceding taxation year to reduce farming income	941	0	
Second preceding taxation year to reduce farming income	942	0	
Third preceding taxation year to reduce farming income	943	0	0
Restricted farm losses - Closing balance	480		0

Note

The total losses for the year from all farming businesses are computed without including any scientific research expenses.

Part 5 - Listed personal property losses

Continuity of listed personal property loss and request for a carryback

Listed personal property losses at end of preceding taxation year			0
Deduct: Listed personal property loss expired after seven taxation years	500		0
Listed personal property losses at beginning of taxation year	502		0
Add: Current-year listed personal property loss (from Schedule 6)	510		0
		Subtotal	0
Deduct:			
Amount applied against listed personal property gains (enter on line 655 of Schedule 6)	530	0	
Other adjustments	550	0	0
		Subtotal	0
Deduct - Request to carry back listed personal property loss to:			
First preceding taxation year to reduce listed personal property gains	961	0	
Second preceding taxation year to reduce listed personal property gains	962	0	
Third preceding taxation year to reduce listed personal property gains	963	0	0
Listed personal property losses - Closing balance	580		0

Part 6 - Analysis of balance of losses by year of origin

Non-capital losses

Year of origin	Balance at Beginning of year	Loss Incurred in Current Year	Adjustments and Transfers <F1> for help	Loss Carried Back Parts I & 4	Applied to Reduce: Taxable Income	Applied to Reduce: Part IV Tax	Balance at End of Year	
Current	N/A	2,624,081	0	0	N/A	0	2,624,081	
2001	0	N/A	0	N/A	0	0	0	
2000	0	N/A	0	N/A	0	0	0	
1999	0	N/A	0	N/A	0	0	0	
1998	0	N/A	0	N/A	0	0	0	
1997	0	N/A	0	N/A	0	0	0	
1996	0	N/A	0	N/A	0	0	0	
1995	0	N/A	0	N/A	0	0	0	*
Total	0	2,624,081	0	0	0	0	2,624,081	

Farm losses

Year of origin	Balance at Beginning of year	Loss Incurred in Current Year	Adjustments and Transfers <F1> for help	Loss Carried Back Parts I & 4	Applied to Reduce: Taxable Income	Applied to Reduce: Part IV Tax	Balance at End of Year	
Current	N/A	0	0	0	N/A	0	0	
2001	0	N/A	0	N/A	0	0	0	
2000	0	N/A	0	N/A	0	0	0	
1999	0	N/A	0	N/A	0	0	0	
1998	0	N/A	0	N/A	0	0	0	
1997	0	N/A	0	N/A	0	0	0	
1996	0	N/A	0	N/A	0	0	0	
1995	0	N/A	0	N/A	0	0	0	
1994	0	N/A	0	N/A	0	0	0	
1993	0	N/A	0	N/A	0	0	0	
1992	0	N/A	0	N/A	0	0	0	*
Total	0	0	0	0	0	0	0	

Restricted farm losses

Year of origin	Balance at Beginning of year	Loss Incurred in Current Year	Adjustments and Transfers <F1> for help	Loss Carried Back	Applied to Reduce: Taxable Income	Applied to Reduce: Part IV Tax	Balance at End of Year	
Current	N/A	0	0	0	N/A	N/A	0	
2001	0	N/A	0	N/A	0	N/A	0	
2000	0	N/A	0	N/A	0	N/A	0	
1999	0	N/A	0	N/A	0	N/A	0	
1998	0	N/A	0	N/A	0	N/A	0	
1997	0	N/A	0	N/A	0	N/A	0	
1996	0	N/A	0	N/A	0	N/A	0	
1995	0	N/A	0	N/A	0	N/A	0	
1994	0	N/A	0	N/A	0	N/A	0	
1993	0	N/A	0	N/A	0	N/A	0	
1992	0	N/A	0	N/A	0	N/A	0	*
Total	0	0	0	0	0	N/A	0	

* This balance expires this year and will not be available next year

Summary of Capital Cost Allowance

Is the corporation electing under regulation 1101(5q)? [101] N

Class No. [200]	UCC at Beginning of Year [201]	Cost of Additions During Year [203]	Adjustments [205]	Lesser of Cost or Proceeds [207]	1/2 of [203]-[207] [211]	Rate % [212]	Recapture of Capital Cost Allowance [213]	Terminal Loss [215]	Capital Cost Allowance [217]	Undepreciated Capital Cost end of year [220]
1	79,750,000	8,081,007	-5,994,449	0	4,040,503	4	0	0	784,355	81,052,203
8	5,270,000	697,065	-470,769	0	348,532	20	0	0	259,504	5,236,792
10	4,250,000	1,290,073	-922,353	4,050	643,011	30	0	0	300,247	4,313,423
Total	89,270,000	10,068,145	-7,387,571	4,050	5,032,046		0	0	1,344,106	90,602,418

Waterloo North Hydro Inc.
December 31, 2001

Pursuant to subsection 13(7.4) of the *Income Tax Act*, Waterloo Hydro North Inc. is electing to reduce the capital cost of additions to Class 1 by $659,660.

Waterloo North Hydro Inc. PILS RETURN Sch. 009
Account/Business No.: 865844575RC0001 Year Ended: 2001-12-31
RELATED AND ASSOCIATED CORPORATIONS

This schedule is to be completed by a corporation having one or more of the following:
- related corporation(s)
- associated corporation(s)

Name	Ctry of resi-dence	Business Number (Note)	Rela-tion-ship Code	Number of common shares owned	% of common shares owned	Number of preferred shares owned	% of pre-ferred shares owned	Book value of capital stock
[100]	[200]	[300]	[400]	[500]	[550]	[600]	[650]	[700]
Waterloo North Hydro Holding			1	0	0.00	0	0.00	0

Note: Enter "NR" if a corporation is not registered.
Relationship code:
1 - Parent 2 - Subsidiary 3 - Associated 4 - Related, but not associated

The relationship code represents the relationship that the corporation named has to the filing corporation. For example, if the corporation is the parent corporation of the filing corporation, then the relationship code is "1".

Schedule 9

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

CONTINUITY OF RESERVES
(1998 and later taxation years)

- For use by corporations to provide a continuity of all reserves claimed which are allowed for tax purposes.
- References to parts, sections, subsections, paragraphs, and subparagraphs are from the federal "Income Tax Act".
- File one completed copy of this schedule with the corporation's "T2 Corporation Income Tax Return".
- For more information, see the "T2 Corporation Income Tax Guide".

Part 1 - Capital gains reserves

Description of property 001	Balance at the beginning of the year $ 002	Transfer on amalgamation or wind-up of subsidiary $ 003	Add $	Deduct $	Balance at the end of the year $ 004
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
Totals 008	0 009	0	0	0 010	0

The total capital gains reserve at the beginning of the taxation year plus the total capital gains reserve transfer on amalgamation or wind-up of subsidiary should be entered on line 880, and the total capital gains reserve at the end of the taxation year, should be entered on line 885 of Schedule 6.

Financial Statement Reserves (not deductible)

Description	Balance at the beginning of the year	Transfer on amalgamation or wind-up of subsidiary	Add	Deduct	Balance at the end of the year
Vested sick leave	361,807	0	8,076	12,215	357,668
Post employment benefits	2,287,686	0	37,559	21,534	2,303,711
Allowance for doubtful accts	100,000	0	0	0	100,000
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
Reserves From Section 3 below	0	0	0	0	0
Totals	2,749,493	0	45,635	33,749	2,761,379

The total opening balance plus the total transfers should be entered on line 414 of Schedule 1 as a deduction.
The total closing balance should be entered on line 126 of Schedule 1 as an addition.

Part 2 - Other reserves

Description	[X]		Balance at the beginning of the year		Transfer on amalgamation or wind-up of subsidiary	Add	Deduct		Balance at the end of the year
			$		$	$	$		$
Reserve for doubtful debts	[ ]	110	0	115	0	0	0	120	0
Reserve for undelivered goods and services not rendered	[ ]	130	0	135	0	0	0	140	0
Reserve for prepaid rent	[ ]	150	0	155	0	0	0	160	0
Reserve for December 31, 1995 income	[ ]	170	0	175	0	0	0	180	0
Reserve for refundable containers	[ ]	190	0	195	0	0	0	200	0
Reserve for unpaid amounts	[ ]	210	0	215	0	0	0	220	0
Other tax reserves	[ ]	230	0	235	0	0	0	240	0
Totals		270	0	275	0	0	0	280	0

Enter "X" in the column above if the tax reserve has also been reported on the corporation's financial statements. This allows offsetting entries on Schedule 1, resulting in a zero effect on net income for tax purposes.

The amount from line 270 plus the amount from line 275 should be entered on line 125 of Schedule 1 as an addition.

The amount from line 280 should be entered on line 413 of Schedule 1 as a deduction.

AGREEMENT AMONG ASSOCIATED CANADIAN-CONTROLLED PRIVATE CORPORATIONS (CCPC's) TO ALLOCATE THE BUSINESS LIMIT (1998 and later taxation years)

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to allocate the business limit for purposes of the small business deduction. Information from this schedule will be used to determine the date the balance of tax is due and to calculate the business limit reduction.

- An associated CCPC that has more than one taxation year ending in a calendar year, is required to file an agreement for each taxation year ending in that calendar year.

Column 1: Enter the legal name of each of the corporations in the associated group, including non-CCPCs and CCPCs that have filed an election under subsection 256(2) not to be associated for purposes of the small business deduction.

Column 2: Provide the Business Number for each corporation (if a corporation is not registered, enter "NR").

Column 3: Enter the code that applies to each corporation:

1 - associated for purposes of allocating the business limit (unless association code 5 applies)
2 - CCPC that is a "third corporation" that has elected under subsection 256(2) not to be associated for purposes of the small business deduction
3 - non-CCPC that is a "third corporation" as defined in subsection 256(2)
4 - associated non-CCPC
5 - associated CCPC that is not associated for purposes of allocating the business limit because of a subsection 256(2) election made by a "third corporation".

Column 4: Enter the amount allocated to each corporation that has an association code 1 in column 3. The total of all amounts in column 4 can not exceed $200,000.

Column 5: Complete column for a CCPC that has more than one taxation year ending in a calendar year, and is associated in more than one of those years with another CCPC that has a taxation year ending in the same calendar year. Enter the taxation year to which this agreement applies.

Column 6: Enter the gross Part I.3 tax of the prior year. This is used for the business limit reduction.

Allocation of business limit

		Year Month Day
Date filed (for departmental use only)	025	
		Year
Enter the calendar year to which the agreement applies	050	2001
Is this an amended agreement for the above-noted calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below?	075	[Y/N] [N]

1	2	3	4	5	6
Names of associated corporations	Business Number of associated corporations	Association code	Business limit allocated **(Note 1)**	Taxation year end to which this agreement applies	Gross Part I.3 Tax of the prior year **(Notes 2 & 3)**
100	200	300	400	500	
Waterloo North Hydro Inc.	865844575RC0001	1	200,000	2001-12-31	0
See attached			0		0
			---		---
	Totals (not to exceed $200,000)		200,000		0
			=======		==========

Note 1:
Each corporation will enter the amount allocated to it in column 4 on line 410 of the T2 return unless the corporation's taxation year is less than 51 weeks, in which case the amount allocated in column 4 must be prorated by the number of days in the taxation year divided by 365.

Note 2:
Reduction to the business limit under subsection 125(5.1)
The reduction to the business limit applies when any member of the associated group had gross Part I.3 tax payable (before the deduction of surtax credits) for its last taxation year ending in the preceding calendar year. The reduction is calculated in the small business deduction are of the T2 return.
The amount to be entered at line 415 of the T2 return, (large corporation tax for preceding year), includes the gross Part I.3 tax payable for each corporation that has an "association code" of 1 or 4 in column 3 for its last taxation year ending in the preceding calendar year.

Note 3:
If the taxation year of the associated corporation was less than 51 weeks, the amount of gross Part I.3 tax is the unprorated amount before the application of subsection 181.1(2).

AGREEMENT AMONG ASSOCIATED CCPC's TO ALLOCATE THE BUSINESS LIMIT

1	2	3	4	5	6
Name of associated corporation	Business Number of associated corporation	Asso-ciation code	Business limit allocated (Note)	Taxation year end to which this agreement applies	Gross Part I.3 Tax of the prior year
[100]	[200]	[300]	[400]	[500]	
Waterloo North Hydro Holding		1	0		0
TOTALS			0		0

Note: Each corporation will enter the amount allocated to it in column 4 on line 410 of the T2 return unless the corporation's taxation year is less than 51 weeks, in which case the amount allocated in column 4 must be prorated by the number of days in the taxation year divided by 365.

Reduction to the business limit under subsection 125(5.1)
The reduction to the business limit applies when any member of the associated group had gross Part I.3 tax payable (before the deduction of surtax credits) for its last taxation year ending in the preceding calendar year. The reduction is calculated in the small business deduction are of the T2 return.
The amount to be entered at line 415 of the T2 return, (large corporation tax for preceding year), includes the gross Part I.3 tax payable for each corporation that has an "association code" of 1 or 4 in column 3 for its last taxation year ending in the preceding calendar year.

Schedule 23-Supplementary

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

PART I.3 TAX ON LARGE CORPORATIONS
(1998 and later taxation years)

- This schedule is for use by corporations (other than financial institutions and insurance corporations) that have Part I.3 tax payable before the deduction for surtax credits.
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the federal "Income Tax Act".
- Subsection 181(1) defines the terms "financial institution," "long-term debt," and "reserves."
- Subsection 181(3) provides the basis to determine the carrying value of a corporation's assets or any other amount under Part I.3 in respect of its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or in respect of a partnership in which it has an interest.
- No Part I.3 tax is payable for a taxation year by a corporation that was:
  1) a non-resident-owned investment corporation throughout the year;
  2) bankrupt [as defined by subsection 128(3)] at the end of the year;
  3) a deposit insurance corporation throughout the year, as defined by subsection 137.1(5), or deemed to be a deposit insurance corporation by subsection 137.1(5.1);
  4) exempt from tax under section 149 throughout the year on all of its taxable income;
  5) neither resident in Canada nor carried on a business through a permanent establishment in Canada at any time in the year; or
  6) a corporation described in subsection 136(2) throughout the year, the principal business of which was marketing (including processing incidental to or connected therewith) natural products belonging to or acquired from its members or customers.
- File the completed Schedule 33 with the "T2 Corporation Income Tax Return" within six months of the end of the taxation year.

		Year	Month	Day
Filing date (for departmental use only)	100			

Complete the following areas to determine the amounts needed to calculate Part I.3 tax. If the corporation was not resident in Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 5, "Taxable capital employed in Canada - Non-resident corporation."

Part 1 - Capital

Add the following amounts at the end of the year:

Reserves that have not been deducted in computing income for the year under Part I	101	2,761,379
Capital stock (or members' contributions if incorporated without share capital)	103	24,370,424
Retained earnings	104	3,369,015
Contributed surplus	105	0
Any other surpluses	106	0
Deferred unrealized foreign exchange gains	107	0
All loans and advances to the corporation	108	61,864,332
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, bankers' acceptances, or similar obligations	109	0
Any dividends declared but not paid by the corporation before the end of the year	110	0
All other indebtedness of the corporation (other than any indebtedness in respect of a lease) that has been outstanding for more than 365 days before the end of the year	111	75,542

Part 1 - Capital (cont'd)

Proportion of the amount, if any, by which the total of all amounts (that would be determined under lines 101, 107, 108, 109, 111 and 112) in respect of the partnership of which the corporation is a member at the end of the year exceeds the amount of the partnership's deferred unrealized foreign exchange losses (see note below)	112	0		
	Subtotal	92,440,692	92,440,692	A
Deduct the following amounts:				
Deferred tax debit balance at the end of the year	121	0		
Any deficit deducted in computing the shareholders' equity	122	0		
Any amount deducted under subsection 135(1) in computing income under Part I for the year, to the extent that the amount may reasonably be regarded as being included in any of lines 101 to 112 above	123	0		
The amount of deferred unrealized foreign exchange losses	124	0		
	Subtotal	0	0	B
Capital for the year (amount A minus amount B) (if negative, enter "0")	190		92,440,692	

Note: Lines 101, 107, 108, 109, 111, and 112 are determined as follows:

- Amounts owing to the member or to corporations that are other members of the partnership are not to be included.
- Amounts are determined as at the end of the last fiscal period of the partnership ending in the year of the corporation.
- Amounts at these lines apply to partnerships in the same way that they apply to corporations.
- The proportion of the total amounts is determined in accordance with the corporation's share of the partnership's income or loss for the fiscal period of the partnership.

Part 2 - Investment allowance

Add the carrying value at the end of the year of the following assets of the corporation:			
A share of another corporation	401		0
A loan or advance to another corporation (other than a financial institution)	402		0
A bond, debenture, note, mortgage, or similar obligation of another corporation (other than a financial institution)	403		0
Long-term debt of a financial institution	404		0
A dividend receivable on a share of the capital stock of another corporation	405		0
A loan or advance to, or a bond, debenture, note, mortgage or similar obligation of, a partnership all of the members of which, throughout the year, were other corporations (other than financial institutions) that were not exempt from tax under Part I.3 (other than by reason of paragraph 181.1(3)(d))	406		0
An interest in a partnership	407		0
Investment allowance for the year	490		0

Note: Lines 401 to 405 should not include the carrying value of a share of the capital stock of, a dividend payable by, or indebtedness of, a corporation that is exempt from tax under Part I of the Act (other than by reason of paragraph 181.1(3)(d) of the Act).

Part 3 - Taxable capital

Capital for the year (line 190)		92,440,692	C
Deduct: Investment allowance for the year (line 490)		0	D
Taxable capital for the taxation year (amount C minus amount D) (if negative, enter "0")	500	92,440,692	

Part 4 - Taxable capital employed in Canada - Canadian resident corporation

To be completed by a corporation that was resident in Canada at any time in the year.

Taxable capital for the year (line 500)	92,440,692	X	Taxable income earned in Canada	610	1,000	=	Taxable capital employed in Canada	690	92,440,692
			Taxable income		1,000				

Notes: 1) Regulation 8601 gives details on calculating the amount of taxable income earned in Canada.
2) Where a corporation's taxable income for a taxation year is "0", it shall, for the purposes of the above calculation, be deemed to have a taxable income for that year of $1,000.
3) In the case of an airline corporation, Regulation 8601 should be considered when completing the above calculation.

Part 5 - Taxable capital employed in Canada - Non-resident corporation

To be completed by a corporation that was not resident in Canada throughout the year and carried on a business through a permanent establishment in Canada.

Total of all amounts which is the carrying value at the end of the year of an asset of the corporation used in the year or held in the year, in the course of carrying on any business it carried on during the year through a permanent establishment in Canada	701		0
Deduct the following amounts:			
Corporation's indebtedness at the end of the year [other than indebtedness described in any of paragraphs 181.2(3)(c) to (f)] that may reasonably be regarded as relating to a business it carried on during the year through a permanent establishment in Canada	711	0	
Total of all amounts each of which is the carrying value at the end of year of an asset described in subsection 181.2(4) of the corporation that it used in the year, or held in the year, in the course of carrying on any business it carried on during the year in Canada	712	0	
Total amount of carrying value at the end of year of an asset of the corporation that is a ship or aircraft the corporation operated in international traffic, or personal property used or held by the corporation in carrying on any business during the year in Canada	713	0	
Total deductions (add lines 711, 712, and 713)		0	0 E
Taxable capital employed in Canada (line 701 minus amount E) (if negative, enter "0")	790		0

Part 6 - Calculation of gross Part I.3 tax

Taxable capital employed in Canada for the year (line 690 or 790, whichever applies)			92,440,692
Deduct: Capital deduction claimed for the year (enter $10,000,000 or, for related corporations, the amount allocated on Schedule 36)	801		10,000,000
Excess of taxable capital employed in Canada over capital deduction	811		82,440,692

Gross Part I.3 tax: Line 811 82,440,692 x .2250% = 185,492 F

Where the taxation year of a corporation is less than 51 weeks, calculate the amount of tax payable as follows:

Amount F 185,492 x (Number of days in the year: 92 / 365) = 46,754 G

Gross Part I.3 tax (amount F or G, whichever applies)	820		46,754

Part 7 - Calculation of current year surtax credits

- Corporations can claim a credit against their Part I.3 tax for the amount of Canadian surtax payable. This is called the surtax credit.
- Any unused surtax credit can be carried back three years or carried forward seven years. Unused surtax credits must be applied in order of the oldest first.
- Refer to subsection 181.1(7) of the Act when calculating the amount deductible in respect of a corporation's unused surtax credits where control of the corporation has been acquired between the year in which the credits arose and the year in which you want to claim them.

Current year surtax credit equals current year Canadian surtax payable.

Canadian surtax payable

For a corporation that was not resident in Canada throughout the year, the lesser of a and b, below:

a)	line 600 from the T2 return				0		
b)	line 700 plus line 660 from the T2 return				0	0	H
In any other case, the lesser of c and d below:							
c)	line 600 from the T2 return	0	x	line 690 of this schedule 92,440,692 / line 500 of this schedule 92,440,692	= 0		
d)	line 700 plus line 660 from the T2 return				0	0	I
Current year surtax credit (amount H or I, whichever applies)					830	0	

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

Amount on line 830		0	
Less: Part I.3 tax before deducting surtax credits (line 820)		46,754	J
	Net amount	-46,754	K
If the amount on line K is "positive," it represents the amount of Part I.3 tax credits that may be carried forward from taxation years prior to 1992 and applied this year to reduce Canadian surtax payable. Refer to Schedule 37 for unused Part I.3 tax credit balance		0	L
Note: The portion of amount K carried forward should be entered at line 660 of the T2 return. If the amount on line K is "negative," it represents the amount of unused surtax credit of other years that may be applied to reduce Part I.3 tax payable in the current year		46,754	M

Part 9 - Calculation of current year unused surtax credit

Amount K (if positive)		0	
Less: Part I.3 tax credits claimed (carried forward from taxation years prior to 1992 - see amount L above)		0	
Current year unused surtax credit (enter this amount on Schedule 37)	850	0	

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

Gross Part I.3 tax (line 820)		46,754	N
Deduct the following amounts:			
Current year surtax credit applied (the lesser of lines 820 and 830)	861 0		
Unused surtax credit from prior years applied	862 0		
Total (cannot exceed amount on line 820)	0	0	O
Net Part I.3 tax payable (amount N minus amount O)			
Enter this amount at line 704 of the T2 return	870	46,754	

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

AGREEMENT AMONG RELATED CORPORATIONS - PART I.3 TAX
(1998 and later taxation years)

- Members of a related group of corporations should use this schedule to allocate the capital deduction of $10,000,000 among the members of the related group.
  Do not file this agreement if no members of the related group are liable to pay Part I.3 tax.

Are any members of the related group liable to pay Part I.3 tax? ..... [Y/N] [Y]

- In cases where a related corporation has more than one taxation year ending in a calendar year, it is required to file an agreement for each taxation year ending in that calendar year.

- A corporation that is related to any other corporation at any time in a taxation year of the corporation ending in a calendar year may file such an agreement.

- In accordance with subsection 181.5(7) of the federal "Income Tax Act", a Canadian-controlled private corporation is not considered to be related to another corporation for purposes of the capital deduction unless it is also associated with that corporation.

- Attach additional schedules if space for agreement is not sufficient.

Agreement

		Year Month Day
Date filed (for departmental use only)	010	
Is this an amended agreement?	020	[Y/N] [N]
Enter the calendar year to which the agreement applies	030	Year 2001

Note: This agreement must include all the information indicated below for all members of the related group, including members to which no amount of capital deduction is allocated for the year. However, any member which is exempt from Part I.3 tax under subsection 181.1(3) is not required to be included.

Names of all corporations which are members of the related group	Business Number (Note 1)	Allocation of capital deduction for the year $	Taxation year end to which this agreement applies (Note 2)
200	300	400	500
Waterloo North Hydro Inc.	865844575RC0001	10,000,000	2001-12-31
See attached		0	
	Total (not to exceed $10,000,000)	10,000,000	

Note 1: If a corporation is not registered enter, "NR".

Note 2: An entry is only required for a corporation that has more than one taxation year ending in the same calendar year and is related in two or more of those taxation years to another corporation that has a taxation year ending in that calendar year. The capital deduction of the first corporation for each such taxation year at the end of which it is related to the other corporation is an amount equal to its capital deduction for the first such taxation year. Enter the taxation year end to which this agreement applies.

AGREEMENT AMONG RELATED CORPORATIONS - PART I.3 TAX

- Members of a related group of corporations should use this schedule to allocate the capital deduction of $10,000,000 among the members of the related group.
- In accordance with subsection 181.5(7) of the federal Income Tax Act, a Canadian-controlled private corporation is not considered to be related to another corporation for purposes of the capital deduction unless it is also associated with that corporation.

Names of all corporations which are members of the related group [200]	Business Number (Note 1) [300]	Allocation of capital deduction for the year [400]	Taxation year end to which this agreement applies (Note 2) [500]
Waterloo North Hydro Holding		0	
TOTAL		0	

Note 1: If a corporation is not registered, enter "NR".

Note 2: An entry is only required for a corporation that has more than one taxation ending in the same calendar year and is related in two or more of those taxation years to another corporation that has a taxation year ending in that calendar year. The capital deduction of the first corporation for each such taxation year at the end of which it is related to the other corporation is an amount equal to its capital deduction for the first such taxation year. Enter the taxation year end to which this agreement applies.

Schedule 36 - Supplementary

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

SHAREHOLDER INFORMATION
(1998 and later taxation years)

All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

Name of shareholder	Business Number (note 1)	Social Insurance Number (note 2)	Percentage common shares	Percentage preferred shares
100	200	300	400	500
Waterloo North Hydro Holding Corporation			100.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00

Note 1: If a corporate shareholder does not have a business number, NR must be entered to indicate the corporation is not registered.

Note 2: If an individual shareholder does not have a social insurance number, NA must be entered to indicate the SIN is not available.

Waterloo North Hydro Inc. PILS RETURN T7B-1
Account/Business No.: 865844575RC0001 Year Ended: 2001-12-31

Schedule of Instalment Remittances

Name of Corporation Contact: . . . . . Duc Le
Telephone Number: 519-886-5090

Effective Interest Date	Description (Instalment Remittance, Split Payment, Assessed Credit)		Amount of Credit
	PILs payment		46,754
			0
			0
			0
			0
			0
			0
			0
			0
			0
			0
			0
	Total amount of instalments claimed	(A)	46,754
	Total instalments credited to the taxation year per T9	(B)	46,754

TRANSFER

Account Number	Taxation Year End	Amount	Effective Interest Date	Description
From:				
		0		
To:				

Name: Waterloo North Hydro Inc. PILS RETURN

BN: 86584 4575 RC 0001 Taxation Year End: 2001-12-31

For agency use
[055]

[001] 86584 4575 RC 0001

[060] 2001 10 01

[061] 2001 12 31

[099] TP04

XXXXXXXXXXX

X

[002] Waterloo North Hydro Inc. PILS RETURN

[003] 2

[004] _____

XXXXXXXXXXX

[010]@ 2

[011] _____

[012] _____

[015] _____

[016] _____

[017] _____

[018] _____

For agency use
[091] _____
[092] _____
[093] _____

[020]@ 2

[021] _____

[022] _____

[023] _____

[025] _____

[026] _____

[027] _____

[028] _____

For agency use
[094] _____
[095] _____
[096] _____
[097] _____

Name: Waterloo North Hydro Inc. PILS RETURN

BN: 86584 4575 RC 0001 Taxation Year End: 2001-12-31

[031]@	300 Northfield Drive East
[032]	Box 640
[035]	Waterloo
[036]	ON
[037]	
[038]	N2J 4A3

XXXXXXXXXXX

[040]	1	[166]		[220]	
[043]		[167]		[221]	
[063]	2	[168]		[226]	
[065]		[169]		[227]	
[067]	2	[170]		[231]	
[070]	2	[171]		[232]	
[071]	2	[172]		[233]	1
[072]	2	[173]	1	[236]	1
[076]	2	[201]	1	[237]	
[078]	2	[202]		[238]	
[080]	1	[203]		[242]	
[081]		[204]	1	[243]	
[082]	2	[205]		[244]	
[085]		[206]		[249]	
[150]	1	[207]		[250]	
[151]		[208]	1	[251]	
[160]	1	[210]		[252]	
[161]		[212]		[253]	
[162]		[213]		[370]	
[163]		[216]		[624]	
[164]		[217]		[646]	
[165]		[218]		[750]	ON

Name: Waterloo North Hydro Inc. PILS RETURN

BN: 86584 4575 RC 0001 Taxation Year End: 2001-12-31

[801]	
[815]	
[894]	
[896]	2
[898]	
[910]	
[914]	
[918]	
[990]	1

XXXXXXXXXXX

[280]	2
[281]	2
[282]	
[283]	
[284]	Electricity
[286]	
[288]	
[285]	100
[287]	
[289]	
[950]	LE
[951]	DUC
[954]	DIRECTOR OF FINANCE
[955]	
[956]	519 886 5090
[957]	1
[958]	
[959]	

XXXXXXXXXXX

Name: Waterloo North Hydro Inc. PILS RETURN

BN: 86584 4575 RC 0001 Taxation Year End: 2001-12-31

[300]	# 2 624 081
[311]	
[312]	
[313]	
[314]	
[320]	
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[335]	
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[405]	
[410]	50 411
[425]	50 411
[430]	
	XXXXXXXXXXX
[415]	
	XXXXXXXXXXX

[440]	
[445]	
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[632]	
[636]	
[780]	
	XXXXXXXXXXX
[460]	
[465]	
[480]	
[485]	
[712]	
	XXXXXXXXXXX
[550]	
[602]	
[604]	
[608]	
[616]	
[620]	
[628]	
[637]	
[638]	
[639]	
[640]	
[644]	
[648]	

[652]	
[700]	
	XXXXXXXXXXX
[704]	46 754
[708]	
[716]	
[720]	
[724]	
[728]	
[760]	
[765]	
[770]	46 754
	XXXXXXXXXXX
[784]	
[788]	
[792]	
[796]	
[797]	
[800]	
[804]	
[808]	
[812]	
[816]	
[840]	46 754
[890]	46 754
	XXXXXXXXXXX

Name: Waterloo North Hydro Inc. PILS RETURN

BN: 86584 4575 RC 0001 Taxation Year End: 2001-12-31

[995]

Certification

I, DUC LE am an authorized signing officer of the corporation.

I certify that the following amounts are, to the best of my knowledge, correct and complete, and fully disclose the corporation's income tax payable. These amounts also reflect the information given on the corporation's income tax return for the taxation year noted above.

Net income (or loss) for income tax purposes [line 200300]	-2 624 081
Part I tax payable [line 200700]	
Part I.3 tax payable [line 200704]	46 754
Part II surtax payable [line 200708]	
Part IV tax payable [line 200712]	
Part IV.1 tax payable [line 200716]	
Part VI tax payable [line 200720]	
Part VI.1 tax payable [line 200724]	
Part XIV tax payable [line 200728]	
Net provincial and territorial tax payable [line 200760]	
Provincial tax on large corporations [line 200765]	

I further certify that the method of calculating income for this taxation year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.

June 28, 2002 DIRECTOR OF FINANCE

Date Signature of an authorized signing officer of the corporation Position, office or rank

Name: Waterloo North Hydro Inc. PILS RETURN

BN: 86584 4575 RC 0001 Taxation Year End: 2001-12-31

[600]	
[601]	
[602]	
[603]	
[604]	
[700]	Contributed capital amortization
[701]	
[702]	
[703]	
[704]	

XXXXXXXXXXX

[101]	58 538	[118]		[204]	
[102]		[119]		[205]	
[103]		[120]		[206]	
[104]	981 218	[121]		[207]	
[105]		[122]		[208]	
[106]		[123]		[209]	
[107]		[124]		[210]	
[108]		[125]		[211]	
[109]		[126]	2 761 379	[212]	
[110]		[127]		[213]	
[111]		**[199]**		[214]	
[112]		[500]	3 801 135	[215]	
[113]			**XXXXXXXXXXX**	[216]	
[114]				[217]	
[115]		[201]		[218]	
[116]		[202]		[219]	
[117]		[203]		[220]	

Name: Waterloo North Hydro Inc. **PILS RETURN**

BN: 86584 4575 RC 0001 **Taxation Year End: 2001-12-31**

[221]		[300]		[401]	4 050
[222]		[301]		[402]	
[223]		[302]		[403]	1 344 106
[224]		[303]		[404]	
[225]		[304]		[405]	
[226]		[305]		[406]	
[227]		[306]		[407]	
[228]		[307]		[408]	
[229]		[308]		[409]	
[230]		[309]		[410]	
[231]		[310]		[411]	
[232]		[311]		[413]	
[233]		[312]		[414]	2 749 493
[234]		[313]		[416]	
[235]		[314]		[417]	
[236]		[315]		**[499]**	25 620
[237]		[316]		[510]	4 123 269
[238]		[340]			
[290]		[341]			**XXXXXXXXXXX**
[291]		[342]			
[292]		[343]			
[293]		[344]			
[294]		[345]			
		[346]			
	XXXXXXXXXXX	[390]	25 620		
		[391]			
		[392]			
		[393]			
		[394]			
			XXXXXXXXXXX		

Name: Waterloo North Hydro Inc. PILS RETURN

BN: 86584 4575 RC 0001 Taxation Year End: 2001-12-31

[100]	
[190]	
[300]	
[400]	
[485]	
[500]	

XXXXXXXXXXX

[102]	
[105]	
[110]	2 624 081
[130]	
[135]	
[140]	
[150]	
[180]	2 624 081
[901]	
[902]	
[903]	
[911]	
[912]	
[913]	

XXXXXXXXXXX

[200]	
[205]	
[210]	
[220]	
[225]	
[240]	
[250]	
[280]	
[951]	
[952]	
[953]	

XXXXXXXXXXX

[302]	
[305]	
[310]	
[330]	
[335]	
[340]	
[350]	
[380]	
[921]	
[922]	
[923]	
[931]	
[932]	
[933]	

XXXXXXXXXXX

[402]	
[405]	
[410]	
[430]	
[440]	
[450]	
[480]	
[941]	
[942]	
[943]	

XXXXXXXXXXX

[502]	
[510]	
[530]	
[550]	
[580]	
[961]	
[962]	
[963]	

XXXXXXXXXXX

Name: Waterloo North Hydro Inc. PILS RETURN

BN: 86584 4575 RC 0001 Taxation Year End: 2001-12-31

[602] 1. _____ *

[632] 1. _____ *

XXXXXXXXXXX

[600] 1. _____ *

[630] 1. _____ *

[660] 1. _____ *

XXXXXXXXXXX

Name: Waterloo North Hydro Inc. PILS RETURN

BN: 86584 4575 RC 0001 Taxation Year End: 2001-12-31

[604] 1. _____ *

[606] 1. _____ *

[608] 1. _____ *

[620] 1. _____ *

XXXXXXXXXXX

[634] 1. _____ *

[636] 1. _____ *

[638] 1. _____ *

[650] 1. _____ *

XXXXXXXXXXX

[662] 1. _____ *

[664] 1. _____ *

[670] 1. _____ *

[675] 1. _____ *

[680] 1. _____ *

XXXXXXXXXXX

Name: Waterloo North Hydro Inc. PILS RETURN

BN: 86584 4575 RC 0001 Taxation Year End: 2001-12-31

[101] 2

[200]
1. 1
2. 8
3. 10 *

[211]
1. 4 040 503
2. 348 532
3. 643 011 *

[212]
1. 4
2. 20
3. 30 *

XXXXXXXXXXX

[201]
1. 79 750 000
2. 5 270 000
3. 4 250 000 *

[203]
1. 8 081 007
2. 697 065
3. 1 290 073 *

[205]
1. # 5 994 449
2. # 470 769
3. # 922 353 *

[207]
1. _____
2. _____
3. 4 050 *

[213]
1. _____
2. _____
3. _____ *

[215]
1. _____
2. _____
3. _____ *

[217]
1. 784 355
2. 259 504
3. 300 247 *

[220]
1. 81 052 203
2. 5 236 792
3. 4 313 423 *

XXXXXXXXXXX

Name: Waterloo North Hydro Inc. PILS RETURN

BN: 86584 4575 RC 0001 Taxation Year End: 2001-12-31

[300] 1. NR *

[400] 1. 1 *

XXXXXXXXXXX

[100] 1. Waterloo North Hydro Holding *

[200] 1. _____ *

[500] 1. _____ *

[550] 1. _____ *

[600] 1. _____ *

[650] 1. _____ *

[700] 1. _____ *

XXXXXXXXXXX

Name: Waterloo North Hydro Inc. PILS RETURN

BN: 86584 4575 RC 0001 Taxation Year End: 2001-12-31

[025] _____

[050] 2001

[075] 2

[200] 1. 86584 4575 RC 0001

2. NR *

[300] 1. 1

2. 1 *

[500] 1. 2001 12 31

2. _____ *

XXXXXXXXXXX

[400] 1. 200 000

2. _____ *

XXXXXXXXXXX

[100] 1. Waterloo North Hydro Inc. PILS RETURN

2. Waterloo North Hydro Holding *

XXXXXXXXXXX

Name: Waterloo North Hydro Inc. **PILS RETURN**

BN: 86584 4575 RC 0001 **Taxation Year End: 2001-12-31**

[100]	
[610]	1 000
[830]	
[850]	
	XXXXXXXXXXX
[101]	2 761 379
[103]	24 370 424
[104]	3 369 015
[105]	
[106]	
[107]	
[108]	61 864 332
[109]	
[110]	
[111]	75 542
[112]	
[121]	
[122]	
[123]	
[124]	
[190]	92 440 692
	XXXXXXXXXXX

[401]	
[402]	
[403]	
[404]	
[405]	
[406]	
[407]	
[490]	
	XXXXXXXXXXX
[500]	92 440 692
	XXXXXXXXXXX
[701]	
[711]	
[712]	
[713]	
[790]	
	XXXXXXXXXXX
[690]	92 440 692
[801]	10 000 000
[811]	82 440 692
	XXXXXXXXXXX

[820]	46 754
[861]	
[862]	
[870]	46 754
	XXXXXXXXXXX

Name: Waterloo North Hydro Inc. PILS RETURN

BN: 86584 4575 RC 0001 Taxation Year End: 2001-12-31

[010] _____

[020] 2

[030] 2 001

[300] 1. 86584 4575 RC 0001

2. NR *

[500] 1. 2001 12 31

2. _____ *

XXXXXXXXXXX

[400] 1. 10 000 000

2. _____ *

XXXXXXXXXXX

[200] 1. Waterloo North Hydro Inc. PILS RETURN

2. Waterloo North Hydro Holding *

XXXXXXXXXXX

Name: Waterloo North Hydro Inc. PILS RETURN

BN: 86584 4575 RC 0001 Taxation Year End: 2001-12-31

[100] 1. Waterloo North Hydro Holding Corporation *

[200] 1. NR *

[300] 1. _____ *

[400] 1. 100 *

[500] 1. _____ *

XXXXXXXXXXX

Name: Waterloo North Hydro Inc. PILS RETURN

BN: 86584 4575 RC 0001 Taxation Year End: 2001-12-31

[3640]	104 981 455	**[3680]**	# 2 301 947
		[3849]	3 369 015
	XXXXXXXXXXX		
			XXXXXXXXXXX
[1000]	1 022 803		
[1060]	18 815 675		
[1120]	3 895 939		
[1484]	214 571		
[1599]	23 948 988		
[1740]	81 032 467		
[2008]	81 032 467		
[2599]	104 981 455		
	XXXXXXXXXXX		
[2600]	_____		
[2620]	11 098 221		
[2622]	1 399 535		
[2960]	70 165		
[2961]	143 007		
[3139]	12 710 928		
[3140]	61 864 332		
[3320]	2 666 756		
[3450]	64 531 088		
[3499]	77 242 016		
	XXXXXXXXXXX		
[3500]	24 370 424		
[3600]	3 369 015		
[3620]	27 739 439		
	XXXXXXXXXXX		
[3660]	5 670 962		

Name: Waterloo North Hydro Inc. PILS RETURN

BN: 86584 4575 RC 0001 Taxation Year End: 2001-12-31

[0001]	Waterloo North Hydro Inc. PILS RETURN		
[0002]	Sale of electricity		
	XXXXXXXXXXX		
[0003]	_____		
	XXXXXXXXXXX		
[8519]	1 208 909	**[8710]**	262 882
[9369]	# 2 243 409	**[9270]**	363 250
[9899]	_____	**[9275]**	1 285 578
[9970]	# 2 243 409	**[9284]**	1 075 408
[9975]	_____	**[9367]**	4 062 484
[9976]	_____	**[9368]**	26 002 566
[9980]	_____		**XXXXXXXXXXX**
[9985]	_____		
[9990]	58 538	**[9370]**	_____
[9995]	_____	**[9659]**	0
[9999]	# 2 301 947		**XXXXXXXXXXX**
	XXXXXXXXXXX	**[9660]**	_____
[8000]	23 148 991	**[9898]**	0
[8089]	23 148 991		**XXXXXXXXXXX**
[8230]	610 166		
[8299]	23 759 157		
	XXXXXXXXXXX		
[8300]	_____		
[8320]	21 940 082		
[8518]	21 940 082		
[8520]	94 148		
[8670]	981 218		

Name: Waterloo North Hydro Inc. PILS RETURN

BN: 86584 4575 RC 0001 Taxation Year End: 2001-12-31

[100]	1
[101]	1
[102]	2
[103]	2
[104]	2
[105]	2
[106]	2
[107]	2
[108]	2

XXXXXXXXXXX

Ontario

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

2001 CT23 Corporations Tax and Annual Return

For taxation years commencing after May 4, 1999

Corporations Tax Act - Ministry of Finance (MOF)
Corporations Information Act - Ministry of Consumer and Business Services (MCBS)
(formerly Ministry of Consumer and Commercial Relations)

This return is a combination of the Ministry of Finance (MOF) CT23 Corporations Tax Return and the Ministry of Consumer and Business Services (MCBS) Annual Return. Page 1 is a common page required for both returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the **Exempt from Filing (EFF)** declaration on page 2 or file the **CT23 Return**, together with the applicable schedules. **Corporations that do not meet the EFF criteria but do meet the Short-Form criteria, may request and file the CT23 Short-Form Return** (see page 2).

The **Annual Return** (common page 1 and MCBS Schedules A or K) contains non-tax information collected under the authority of the *Corporations Information Act* for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

Ministry Use

CLIENT COPY

MCBS Annual Return Required? *(Refer to Guide)* Yes [X] No [ ]

Corporation's Legal Name *(including punctuation)* and Mailing Address

Waterloo North Hydro Inc. PILS RETURN

300 Northfield Drive East
Box 640
Waterloo
ON CA N2J-4A3

Ontario Corporations Tax Account No. (MOF): 1404168

This CT23 Return covers the Taxation Year
Start: year month day 2001-10-01
End: year month day 2001-12-31

Has address changed since last filed CT23 Return? Yes [ ] Date of Change: year month day

Date of Incorporation or Amalgamation: year month day 2000-03-01

Registered/Head Office Address

300 Northfield Drive East
Box 640
Waterloo
ON CA N2J-4A3

Ontario Corporation No. (MCBS): 1404168

Location of Books and Records

300 Northfield Drive East
Box 640
Waterloo
ON CA N2J-4A3

Canada Customs and Revenue Agency (formerly Revenue Canada) Business No.
If applicable, enter: 865844575RC0001

Name of person to contact regarding this CT23 Return	Telephone No.	Fax No.
DUC LE	519-886-5090	519-886-8592

Jurisdiction Incorporated: Ontario

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

ON CA -

If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased:
Commenced: year month day
Ceased: year month day
(Not Applicable) [X]

Former Corporation Name *(Extra-Provincial Corporations only)* *(Not Applicable)* [X] (MCBS)

Information on Directors/Officers/Administrators must be completed on MCBS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS).

No. of Schedule(s): 1

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

Preferred Language/*Langue de préférence*
English *anglais* [X] French *français* [ ]

Ministry use

Certification (MCBS)

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

Name of Authorized Person *(Print clearly or type in full)*

DUC LE

Title: D [ ] Director O [X] Officer P [ ] Other individual having knowledge of the affairs of the Corporation

Note: Sections 13 and 14 of the *Corporations Information Act* provide penalties for making false or misleading statements or omissions.

CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

Type of Corporation – Please "X" box(es) if applicable in sections 1 & 2

[1] 1 [X] Canadian-controlled Private (CCPC) all year (Generally a private corporation of which 50% or more shares are owned by Canadian residents.) (fed.s.125(7)(b))

2 [ ] Other Private

3 [ ] Public

4 [ ] Non-share Capital

5 [ ] Other (specify)

Share Capital with full voting rights owned by Canadian Residents (nearest percent) 100%

[2]

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

Ontario Retail Sales Tax Vendor Permit No. (Use Head Office no.)
if applicable, enter 90815548

Ontario Employer Health Tax Account No. (Use Head Office no.)
if applicable, enter 101282339

Specify major business activity
Sale of electricity

Please "X" box(es) if applicable:

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

Date Control was acquired
year month day

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

Income Tax

Allocation – If you carry on a business through a permanent establishment in a jurisdiction outside Ontario, you may allocate that portion of taxable income deemed earned in that jurisdiction, to that jurisdiction (s.39) (Inter. Bulletin 2617). Attach a schedule (or a copy of federal T2 SCH 5) showing allocation of gross revenue, salaries and wages, including applicable percentages.

Net income (loss) for Ontario purposes (per reconciliation schedule, page 16)	±	From 690	-2,624,081.	
Subtract: Charitable donations	–	1	0.	
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property *(Attach schedule)*	–	2	0.	
Subtract: Taxable dividends deductible, per federal T2 SCH 3	–	3	0.	
Subtract: Ontario political contributions *(Attach schedule)*	–	4	0.	
Subtract: Federal Part VI.1 tax 0. X 9/4	–	5	0.	
Subtract: Prior years' losses applied – Non-capital losses	–	From 704	0.	
Net capital losses (From 715 (page 17) 0. X inclusion rate 50.0000% =	–	714	0.	
Farm losses	–	From 724	0.	
Restricted farm losses	–	From 734	0.	
Limited partnership losses	–	From 754	0.	
Taxable Income (Non-capital loss)	=	10	-2,624,081.	
Addition to taxable income for unused foreign tax deduction for federal purposes	+	11	0.	
Adjusted Taxable Income 10 + 11 (if 10 is negative, enter 11)	=	20	0.	

Taxable Income

						Number of Days in Taxation Year							
						Days before May 2, 2000		Total Days					
From 10 (or 20 if applicable)	0.	x 30	100.0000%	x 15.5000%	x	22 0	÷	73 92	= +	23	0.		
			Ontario Allocation			Days after May 1, 2000 and before Jan 1, 2001		Total Days					
From 10 (or 20 if applicable)	0.	x 30	100.0000%	x 14.5000%	x	24 0	÷	73 92	= +	25	0.		
			Ontario Allocation			Days after Dec 31, 2000 and before Oct 1, 2001		Total Days					
From 10 (or 20 if applicable)	0.	x 30	100.0000%	x 14.0000%	x	26 0	÷	73 92	= +	27	0.		
			Ontario Allocation			Days after Sept 30, 2001 and before Jan 1, 2003		Total Days					
From 10 (or 20 if applicable)	0.	x 30	100.0000%	x 12.5000%	x	28 92	÷	73 92	= +	29	0.		
			Ontario Allocation										

Income Tax Payable (before deduction of tax credits) 23 + 25 + 27 + 29 = 40 0.

Note: *The rate change effective October 1, 2001 has not yet received legislative authority at the time of printing.*

Incentive Deduction for Small Business Corporations (IDSBC) (s.41)

(If this section is not completed, the IDSBC will be denied.)

Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(5.1) not been applicable in the taxation year? (X) [ ] Yes [X] No

Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a))			50	0.
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	+	51 0.		
Add: Losses of other years deducted for federal purposes (fed.s.111)	+	52 0.		
Subtract: Losses of other years deducted for Ontario purposes (s.34)	–	53 0.		
	=	0.	54	0.
Federal Business limit for the year before the application of fed.s.125(5.1) (not exceeding $ 200,000) *(Attach federal T2 SCH 23 if associated)*	+	55 50,411.		

Add: Ontario enhancement of federal business limit

Number of Days in Taxation Year

		Days after Dec 31, 2000 and before Oct 1, 2001		Total Days				
40,000 x	557	0	÷	73 92				
X From 55	50,411	÷	200,000		=+	42	0.	
		Days after Sept 30, 2001 and before Jan 1, 2003		Total Days				
80,000 x	69	92	÷	73 92				
X From 55	50,411	÷	200,000		=+	43	20,164.	

Ontario enhancement of federal business limit 42 + 43	=	20,164.	+ 44	20,164.
Business Limit for Ontario purposes 55 + 44	=	70,575.	45	70,575.
Income eligible for the IDSBC From 30 100.0000% * Ontario Allocation x 56	0.	=	60	0.

Least of 50, 54 or 45

* **Note:** *Ontario Allocation for IDSBC purposes may differ from* 30 *if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).*

continued on Page 5

Income Tax *continued from Page 4*

Calculation of IDSBC Rate

Number of Days in Taxation Year

	7.00 %	x	Days after Dec 31, 1998 and before Jan 1, 2000	74	0	÷ 73	Total Days 92	= +	75	.0000
	7.50 %	x	Days after Dec 31, 1999 and before Oct 1, 2001	76	0	÷ 73	Total Days 92	= +	77	.0000
	6.50 %	x	Days after Sept 30, 2001 and before Jan 1, 2003	69	92	÷ 73	Total Days 92	= +	79	6.5000

IDSBC Rate for Taxation Year 75 + 77 + 79 ..... = 78 6.5000

Claim ..... From 60 0. x From 78 6.5000 % ..... = 70 0.

Corporations claiming the IDSBC must complete the Surtax section below if the corporation's taxable income (or if associated, the associated group's taxable income) is greater than the amount in 114 below.

Surtax on Canadian-controlled private corporations (s.41.1)

Applies if you have claimed the Incentive Deduction for Small Business Corporations.

** **Short Taxation Years** - Special rules apply where the taxation year is less than 51 weeks for the corporation and/or any corporation associated with it.
Associated Corporation - The taxable income of associated corporations is the taxable income for the taxation year ending on or before the date of this corporation's taxation year end.

** **Taxable Income of the corporation** ..... From 10 (or 20 if applicable) + 80 0.

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

Name of associated corporation (Canadian & foreign) *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	** Taxable Income (if loss, enter nil)	
See attached			+ 82	0.
			+ 83	.
			+ 84	.

Aggregate Taxable Income 80 + 82 + 83 + 84, etc. ..... = 85 0.

Number of Days in Taxation Year

Subtract: 200,000	x	Days before Jan 1, 2001	558	0	÷ 73	Total Days 92	= +	111	0.
240,000	x	Days after Dec 31, 2000 and before Oct 1, 2001	557	0	÷ 73	Total Days 92	= +	112	0.
280,000	x	Days after Sept 30, 2001 and before Jan 1, 2003	556	92	÷ 73	Total Days 92	= +	113	280,000.

111 + 112 + 113 = 280,000. ..... - 114 280,000.

(If negative, enter nil) ..... = 86 0.

Calculation of Specified Rate for Surtax

Number of Days in Taxation Year

	4.67 %	x	Days after Dec 31, 1998 and before Jan 1, 2000	74	0	÷ 73	Total Days 92	= +	92	.0000
	5.00 %	x	Days after Dec. 31, 1999 and before Oct 1, 2001	76	0	÷ 73	Total Days 92	= +	93	.0000
	4.3330 %	x	Days after Sept 30, 2001 and before Jan 1, 2003	69	92	÷ 73	Total Days 92	= +	95	4.3330

Specified rate of surtax for Taxation Year 92 + 93 + 95 ..... = 94 4.3330

From 86 0. x From 94 4.3330 % ..... = 87 0.

From 87 0. x From 60 0. ÷ From 114 280,000. = 88 0.

Surtax Lesser of 70 or 88 ..... = 100 0

Continued on Page 6

Income Tax *continued from Page 5*

Additional Deduction for Credit Unions (s.51(4)) *(Attach schedule)* ..... 110 0.

Manufacturing and Processing Profits Credit (M&P) (s.43)

Applies to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined by regulations.

Eligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, after deducting depletion and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If you are claiming this credit, attach a copy of the federal T2 SCH 27 including necessary changes for Ontario tax purposes (e.g. different C.C.A. claimed).

The whole of the active business income qualifies as Eligible Canadian Profits if: a) your active business income from sources other than manufacturing and processing, mining, farming, logging or fishing is 20% or less of the total active business income and b) the total active business income is $250,000 or less.

Eligible Canadian Profits ..... + 120 0.

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) ..... − From 56 0.

Add: Adjustment for Surtax on Canadian-controlled private corporations

From 100 0. ÷ From 30 .0000 % * Ontario Allocation ÷ From 78 6.5000 % = 121 0.

Lesser of 56 or 121 ..... + 122 0.

120 − 56 + 122 ..... = 130 0.

Taxable Income ..... + From 10 0.

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) ..... − From 56 0.

Add: Adjustments for Surtax on Canadian-controlled private corporations ..... + From 122 0.

Subtract: Taxable Income From 10 0. X Allocation % to jurisdictions outside Canada .0000 % .... − 140 0.

Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses ..... − 141 0.

10 − 56 + 122 − 140 − 141 ..... = 142 0.

Claim

Number of Days in Taxation Year

143 0. X From 30 .0000 % * Ontario Allocation X 2.0000 % X (Days before Oct 1, 2001: 0 ÷ Total Days 73: 92) = + 0.

Lesser of 130 or 142

143 0. X From 30 .0000 % * Ontario Allocation X 1.5000 % X 69 (Days after Sept 30, 2001 and before Jan 1, 2003: 0 ÷ Total Days 73: 92) = + 0.

Lesser of 130 or 142

= 160 0.

Note: *Ontario Allocation for M&P Credit purposes may differ from* 30 *if Taxable Income is allocated to foreign jurisdictions. See special rules (s.43(1))*

Manufacturing and Processing Profits Credit for Electrical Generating Corporations ..... = 161 0.

Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity ..... = 162 0.

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

Credit for Foreign Taxes Paid (s.40)

Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Info. Bulletins 15-79 & 2739) *(Attach schedule)*. 170 0.

Credit for Investment in Small Business Development Corporations (SBDC)

Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former Small Business Development Corporations Act)

Eligible Credit 175 0. Credit Claimed 180 0.

Subtotal of Income Tax 40 − 70 + 100 − 110 − 160 − 161 − 162 − 170 − 180 ..... = 190 0.

continued on Page 7

Income Tax *continued from Page 6*

Specified Tax Credits *(Refer to Guide)*

Ontario Innovation Tax Credit (OITC) (s.43.3) ***Applies*** to research and development in Ontario.
Eligible Credit From 5620 OITC Claim Form *(Attach original Claim Form)* ..... + 191 0.

Co-operative Education Tax Credit (CETC) (s.43.4) ***Applies*** to employment of eligible students.
Eligible Credit From 5798 Summary Schedule F ..... + 192 0.

Ontario Film & Television Tax Credit (OFTTC) (s.43.5)
Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television productions.
Eligible Credit From 5899 Claim Form Certified by Ontario Film Development Corporation
*(Retain original Claim Form. Do **not** submit the Claim Form with the CT23 Tax Return.)* ..... + 193 0.

Graduate Transitions Tax Credit (GTTC) (s.43.6) No. of Graduates From 6596
Applies to employment of eligible unemployed graduate students. 194 0
Eligible Credit From 6598 Summary Schedule G ..... + 195 0.

Ontario Book Publishing Tax Credit (OBPTC) (s 43.7)
Applies to qualifying expenditures in respect of eligible literary works by first-time Canadian authors.
Eligible Credit From 6900 OBPTC Claim Form *(Attach **only** the original Claim Form. Retain the Certification Form)* ..... + 196 0.

Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8)
Applies to labour relating to computer animation and special effects on an eligible production.
Eligible Credit From 6700 Claim Form Certified by Ontario Film Development Corporation
*(Retain original Claim Form. Do **not** submit the Claim Form with the CT23 Tax Return.)* ..... + 197 0.

Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9)
Applies to qualifying R&D expenditures under an eligible research institute contract.
Eligible Credit From 7100 OBRITC Claim Form *(Attach original Claim Form)* ..... + 198 0.

Ontario Production Services Tax Credit (OPSTC) (s.43.10)
Applies to qualifying Ontario labour expenditures for eligible non-Canadian content film and television productions.
Eligible Credit From 7300 Claim Form certified by Ontario Film Development Corporation
*(Retain original Claim Form. Do **not** submit the Claim Form with the CT23 Tax Return.)* ..... + 199 0.

Ontario Interactive Digital Media Tax Credit (OIDMTC) (s.43.11)
Applies to qualifying labour expenditures of eligible products for the taxation year.
Eligible Credit From 7400 Claim Form certified by Ontario Film Development Corporation
*(Retain original Claim Form. Do **not** submit the Claim Form with the CT23 Tax Return.)* ..... + 200 0.

Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)
Applies to qualifying expenditures in respect of eligible Canadian sound recordings.
Eligible Credit From 7500 OSRTC Claim Form *(Attach **only** the original Claim Form. Retain the Certification Form)* ..... + 201 0.

Other (specify) _____ ..... + 201.1 0.

Total Specified Tax Credits 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201 + 201.1 = 220 0.

Specified Tax Credits ***Applied to reduce Income Tax*** ..... = 225 0.

Income Tax 190 – 225 **OR Enter NIL if reporting Non-Capital Loss** ..... = 230 0.

To determine if the Corporate Minimum Tax (CMT) is applicable to your Corporation, see ***Determination of Applicability*** section for the CMT on ***Page 8***. If CMT is not applicable, transfer amount in 230 to Income Tax in ***Summary*** section on ***Page 18.***

OR

If CMT is not applicable for the current taxation year but your corporation has CMT Credit Carryovers that you want to apply to reduce income tax otherwise payable, then proceed to and complete the ***Application of CMT Credit Carryovers*** section part B, on ***Page 8.***

Corporate Minimum Tax (CMT)

Determination of Applicability

Applies if ***either*** Total Assets [249] exceeds $5,000,000 ***or*** Total Revenue [250] exceeds $10,000,000.

* These amounts include the corporation's and associated corporations' share of any partnership(s)/joint venture(s) total assets and total revenue.

Short Taxation Years - Special rules apply for determining total revenue where the taxation year of the corporation or any associated corporation or any fiscal period of any partnership(s)/joint venture(s) of which the corporation or associated corporation is a member, is less than 51 weeks.

Associated Corporation - The total assets or total revenue of associated corporations is the total assets or total revenue for the taxation year ending on or before the date of the claiming corporation's taxation year end.

*** Total Assets of the corporation** ..... + [240] 104,981,455.

*** Total Revenue of the corporation** ..... + [241] 94,261,873.

If you are a member of an associated group (x) [242] X (Yes)

Name of associated corporation (Canadian & foreign) *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	* Total assets	* Total Revenue
See attached			+ [243] 94,030,635.	+ [244] 329,603.
			+ [245] .	+ [246] .
			+ [247] .	+ [248] .

Aggregate Total Assets [240] + [243] + [245] + [247] , etc. ..... = [249] 199,012,090.

Aggregate Total Revenue [241] + [244] + [246] + [248] , etc. ..... = [250] 94,591,476.

If CMT is applicable to current taxation year, complete section ***Calculation: CMT*** below and ***Corporate Minimum Tax Schedules A through E on Pages 19, 20 and 21 of CT23.***

Calculation: CMT *(Attach Schedule A: Calculation of CMT Base on Page 19.)*

Gross CMT Payable ..... CMT Base From [2135] 0. (If negative, enter zero) X From [30] 100.0000 (Ontario Allocation) % X 4% = [276] 0.

Subtract: Foreign Tax Credit for CMT purposes *(Attach schedule)* ..... – [277] 0.

Subtract: Income Tax ..... – From [190] 0.

Net CMT Payable (If negative, enter Nil on Page 18.) ..... = [280] 0.

If [280] is less than zero and you do not have a CMT credit carryover, transfer [230] from ***Page 7*** to ***Income tax Summary, on Page 18.***

If [280] is less than zero and you have a CMT credit carryover, complete A & B below.

If [280] is greater than or equal to zero, transfer [230] to ***Page 18*** and transfer [280] to ***Page 18***, and to ***Schedule D: Continuity of CMT Credit Carryovers,*** on ***Page 21.***

CMT Credit Carryover available ..... From [2307] 0.

Application of CMT Credit Carryovers

A. Income Tax (before deduction of specified credits) ..... + From [190] 0.

Gross CMT Payable ..... + From [276] 0.

Subtract: Foreign Tax Credit for CMT purposes ..... – From [277] 0.

If [276] – [277] is negative, enter NIL in [290] ..... = 0. – [290] 0.

Income Tax eligible for CMT Credit ..... = [300] 0.

B. Income tax (after deduction of specified credits) ..... + From [230] 0.

Subtract: CMT credit used to reduce income taxes ..... – [310] 0.

Income Tax ..... = [320] 0.

Transfer to page 18

If A & B apply, [310] ***cannot exceed the lesser of*** [230], [300] ***and your CMT credit carryover available*** [2307].

If only B applies, [310] ***cannot exceed the lesser of*** [230] ***and your CMT credit carryover available*** [2307].

Capital Tax *(Refer to Guide)*

If your corporation is a Financial Institution (s.58(2)), proceed to page 14.

If your corporation is not a member of an associated group and/or partnership and (1) the Gross Revenue and Total Assets as calculated on Page 10 in 480 and 430 are both $1,000,000 or less and the taxation year ends on or after January 1, 2000, or (2) the Gross Revenue and Total Assets as calculated on Page 10 in 480 and 430 are both $1,500,000 or less and the taxation year ends on or after January 1, 2001, it is exempt from Capital Tax for the taxation year. A corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in 550 on Page 13 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.

Members of a partnership (limited or general) or a joint venture, must attach all financial statements of each partnership. The Paid-up Capital of each corporate partner must include its share of liabilities that would otherwise be included if the partnership were a corporation. If Investment Allowance is claimed, Total Assets must be adjusted by adding the corporation's share of the partnership's Total Assets and by deducting investments in the partnership as it appears on the corporation's balance sheet, in addition to any other required adjustments (s.61(5)). Special rules apply to limited partnerships (Inf.B.15-79, Int.B.L-12 and Int.B.L-16)

Any Assets and liabilities of a corporation that are being utilized in a joint venture must be included along with the corporation's other Assets and liabilities when calculating its Taxable Paid-up Capital.

Special rules and rates apply to Non-Resident corporations (s.63, s.64 and s.69(3)).

Paid-up Capital of Non-resident: Paid-up capital employed in Canada of a non-resident subject to tax by virtue of s.2(a) or (b), and whose **business is not carried on solely in Canada** is deemed to be the **greater** of (1) taxable Income in Canada divided by 8 percent or (2) total assets in Canada minus certain indebtedness in accordance with the provisions of s.63(1)(a).

Paid-up Capital

Paid-up capital stock	+	350	24,370,424.
Retained earnings (if deficit, deduct)	±	351	3,369,015.
Capital and other surpluses, excluding appraisal surplus (Inf.B.30-83)	+	352	0.
Loans and advances *(Attach schedule)*	+	353	61,939,874.
Bank loans	+	354	0.
Bankers acceptances	+	355	0.
Bonds and debentures payable	+	356	0.
Mortgages payable	+	357	0.
Lien notes payable	+	358	0.
Deferred credits (including income tax reserves, and deferred revenue where it would also be included in paid-up capital for the purposes of the large corporations tax)	+	359	0.
Contingent, investment, inventory and similar reserves	+	360	2,761,379.
Other reserves not allowed as deductions for income tax purposes *(Attach schedule)*	+	361	0.
Share of partnership(s) or joint venture(s) paid-up capital *(Attach schedule(s))*	+	362	0.
Subtotal	=	370	92,440,692.
Subtract: Amounts deducted for income tax purposes in excess of amounts booked *(Retain calculations. Do not submit.)*	−	371	-9,569,951.
Deductible R & D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes	−	372	0.
Total Paid-up Capital	=	380	102,010,643.
Subtract: Deferred mining exploration and development expenses (s.62(1)(d))	−	381	0.
Net Paid-up Capital	=	390	102,010,643.

Eligible Investments *(Refer to Guide)*

Attach computations and list of corporations' names and investment amounts. Short-term investments (bankers acceptances, commercial paper, term deposits, etc.) are eligible for the allowance only if issued for a term of and held for 120 days or more prior to the year end of the investor corporation.

Term deposits and investment certificates in foreign financial institutions for taxation years ending prior to December 15, 1999 *(Refer to Guide)*	+	400	0.
Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)	+	402	0.
Mortgages due from other corporations	+	403	0.
Shares in other corporations (certain restrictions apply) *(Refer to Guide)*	+	404	0.
Loans and advances to unrelated corporations	+	405	0.
Eligible loans and advances to related corporations (certain restrictions apply) *(Refer to Guide)*	+	406	0.
Share of partnership(s) or joint venture(s) eligible investments *(Attach schedule)*	+	407	0.
Total Eligible Investments	=	410	0.

continued on Page 10

Waterloo North Hydro Inc.
CT23 Line 353

Long term debt		61,864,332.00
Customer deposits		75,542.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		==========
	Total	61,939,874.00

Waterloo North Hydro Inc.
CT23 Line 371

NBV per f/s		81,032,467.00
UCC per Sch.8		-90,602,418.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
	Total	-9,569,951.00

Capital Tax *continued from Page 9*

Total Assets

Total Assets per balance sheet	+	420	104,981,455.
Mortgages or other liabilities deducted from assets	+	421	0.
Share of partnership(s)/joint venture(s) total assets *(Attach schedule)*	+	422	0.
Subtract: Investment in partnership(s)/joint venture(s)	-	423	0.
Total Assets as adjusted	=	430	104,981,455.
Amounts in 360 and 361 (if deducted from assets)	+	440	0.
Subtract: Amounts in 371, 372 and 381	-	441	-9,569,951.
Subtract: Appraisal surplus if booked	-	442	0.
Add or Subtract: Other adjustments (specify on an attached schedule)	±	443	0.
Total Assets	=	450	114,551,406.

Investment Allowance (410 ÷ 450) x 390 — Not to exceed 410	=	460	0.
Taxable Capital 390 - 460	=	470	102,010,643.

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)	480	23,759,157.
Total Assets (as adjusted) From 430		104,981,455.

Calculation of Capital Tax for all corporations except Financial Institutions

Note: This version (2001) of the CT23 may only be used for a taxation year that commenced on or after May 5, 1999.

(Financial Institutions use calculations on page 14.)

Important: **If the corporation is a family farm corporation, family fishing corporation or a credit union** that is not a Financial Institution, complete only Section A below.

OR **If the corporation is NOT a member of an associated group and/or partnership,** review only the capital tax calculations in Section B on pages 10 to 11 and select and complete the one specific subsection (e.g. B4) that applies to the corporation.

OR **If the corporation IS a member of an associated group and/or partnership,** complete Section C on page 12. Next review, and if applicable, complete Section D on page 12. If Section D is not applicable review Section E on page 13 and complete the applicable subsection: either E1 or E2. **Note:** if the corporation is a member of a connected partnership, please refer to the guide for additional instructions before completing the capital tax section.

SECTION A

This section applies only if the corporation is a family farm corporation, a family fishing corporation or a credit union that is not a Financial Institution.

Enter NIL in 550 on page 13 and complete the return from that point.

SECTION B

This section applies if the corporation is NOT a member of an associated group and/or partnership.

B1. If the taxation year end is before January 1, 2001 and 430 and 480 are both $1,000,000 or less, enter NIL in 550 on page 13 and complete the return from that point.

B2. If the taxation year end is after December 31, 2000 and 430 and 480 are both $1,500,000 or less, enter NIL in 550 on page 13 and complete the return from that point.

B3. If taxable capital, 470 on page 10, is $2,000,000 or less, enter NIL in 550 on page 13 and complete the return from that point.

continued on Page 11

Capital Tax Calculation *continued from page 10*

B4. If taxable capital, 470 on page 10, exceeds $2,000,000 but is $3,600,000 or less, complete the following calculations and transfer the total From 508 to 543 on page 13 and complete the return from that point.

Calculation: Portion of Capital Tax relating to the days in the taxation year after May 4, 1999 and before January 1, 2000

(a) From 470 0. x .3000% = + 490 0.

Deduct:

[$2,400,000 – From 470 0.] x 1.5% = – 492 0.

If 2,400,000 – 470 is negative, enter NIL in 492

(504 = 490 – 492) = 504 0. x From 30 Ontario Allocation 100.0000 % x Days in taxation year after May 4, 1999 and before Jan 1, 2000 552 0 / ** 365 (366 if leap year) = + 505 0.

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

(b) From 470 0. x .3000% = + 490 0.

Deduct:

[$2,800,000 – From 470 0.] x 0.75% = – 493 0.

If 2,800,000 – 470 is negative, enter NIL in 493

(506 = 490 – 493) = 506 0. x From 30 Ontario Allocation 100.0000 % x Days in taxation year after Dec 31, 1999 and before Jan 1, 2001 553 0 / ** 365 (366 if leap year) = + 507 0.

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

(c) From 470 0. x .3000% = + 490 0.

Deduct:

[$3,200,000 – From 470 0.] x 0.5% = – 495 0.

If 3,200,000 – 470 is negative, enter NIL in 495

(509 = 490 – 495) = 509 0. x From 30 Ontario Allocation 100.0000 % x Days in taxation year after Dec 31, 2000 and before Oct 1, 2001 554 0 / ** 365 (366 if leap year) = + 522 0.

Total Capital Tax for the taxation year 505 + 507 + 522 ..... = 508 0.

Transfer to 543 on page 13 and complete the return from that point.

B5. If taxable capital, 470 on page 10, exceeds **$3,600,000,** complete the following calculation and transfer the amount From 502 to 543 on page 13 and complete the return from that point.

From 470 0. x From 30 Ontario Allocation 100.0000 % x .3000 % x Days in taxation year before Oct 1, 2001 555 0 / ** 365 (366 if leap year) ..... = 502.1 0.

From 470 (0. Exemption – 0.) x From 30 Ontario Allocation 100.0000 % x .3000% x Days in taxation year after Sept 30, 2001 92 / ** 365 (366 if leap year) ..... = 502.2 0.

Note: *The $5 million deduction from Taxable Paid Up Capital has not yet received legislative authority at the time of printing.*

Total Capital Tax for the taxation year 502.1 + 502.2 ..... = 502 0.

*** If floating taxation year, refer to Guide.***

continued on Page 12

Capital Tax Calculation *continued from page 11*

SECTION C

If the corporation is a member of an associated group and/or partnership, complete the following, and (x) 510 [X] (Yes)

Taxable Capital ..... + From 470 102,010,643.

Name of associated corporations or related partners (Canadian & foreign) *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End			Taxable Capital
See attached			+	511	552,660.
			+	512	.
			+	513	.

Aggregate Taxable Capital 470 + 511 + 512 + 513, etc. ..... = 520 102,563,303.

If 520 is greater than $2,000,000

If 520 is greater than $2,000,000 and the taxation year ends,

- prior to January 1, 2000 and 520 is less than $2,400,000;

OR
- after December 31, 1999 and before January 1, 2001 and 520 is less than $2,800,000;

OR
- after December 31, 2000 and before January 1, 2002 and 520 is less than $3,200,000;

OR
- after December 31, 2001 and before January 1, 2003 and 520 is less than $3,600,000;

the corporation must compute the following ratio before calculating its Capital Tax in Section E.

From 470 0. + From 520 0. = 521 .0000

Note: 521 *cannot exceed 1.00000*

SECTION D

This section applies if the corporation IS a member of an associated group and/or partnership whose AGGREGATE taxable capital, 520 on this page, is *$2,000,000 or less.*

Enter NIL in 550 on page 13 and complete the return from that point.

continued on Page 13

Capital Tax Calculation *continued from Page 12*

SECTION E

This section applies if the corporation IS a member of an associated group and/or partnership whose AGGREGATE taxable capital, 520 *on page 12, exceeds $2,000,000.*

E1. If aggregate taxable capital 520 exceeds **$2,000,000** but is **$3,600,000** or less, complete the following calculations and transfer the total From 508 to 543 and complete the return from that point.

Calculation: Portion of Capital Tax relating to the days in the taxation year after May 4, 1999 and before January 1, 2000

(a) From 470 0. x .3000% = + 490 0.

Deduct:

[$2,400,000 − (From 520) 0. x 1.5% x (From 521) .0000] = − 492 0.

If 2,400,000 − 520 is negative, enter NIL in 492

(504 = 490 − 492) = 504 0. x (From 30) 100.0000% x Ontario Allocation (552 / ** 365 (366 if leap year)) 0 = + 505 0.

Days in taxation year after May 4, 1999 and before Jan 1, 2000

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

(b) From 470 0. x .3000% = + 490 0.

Deduct:

[$2,800,000 − (From 520) 0. x 0.75% x (From 521) .0000] = − 493 0.

If 2,800,000 − 520 is negative, enter NIL in 493

(506 = 490 − 493) = 506 0. x (From 30) 100.0000% x Ontario Allocation (553 / ** 365 (366 if leap year)) 0 = + 507 0.

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

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

(c) From 470 0. x .3000% = + 490 0.

Deduct:

[$3,200,000 − (From 520) 0. x 0.5% x (From 521) .0000] = − 495 0.

If 3,200,000 − 520 is negative, enter NIL in 495

(509 = 490 − 495) = 509 0. x (From 30) 100.0000% x Ontario Allocation (557 / ** 365 (366 if leap year)) 0 = + 522 0.

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

Total Capital Tax for the taxation year 505 + 507 + 522 ..... = 508 0.

Transfer to 543 *and complete the return from that point.*

E2. If the aggregate taxable capital 520 on page 12, exceeds **$3,600,000** complete the following calculation and transfer the amount From 502 to 543 on this page, and complete the return from that point.

(a)
From 470 102,010,643. x (From 30) 100.0000% Ontario Allocation x .3000% x (555 / ** 365 (366 if leap year)) 0 ..... = 502.1 0.

Days in taxation year before Oct 1, 2001

(b)
Exemption is the lesser of:

i) 5,000,000

Taxable Paid up Capital of all Corporations in Associated Group (if any) from 520 ..... + 102,563,303.

Minus portion attributable to corporations without a permanent establishment in Canada .. − 0.

ii) TPUC of all corporations post September 30, 2001 ..... = 102,563,303.

Lesser of i) and ii) ..... 5,000,000.

TPUC from 470 ..... x 102,010,643.

TPUC of all corporations post September 30, 2001 ..... ÷ 102,563,303.

Exemption for this corporation ..... = 4,973,058.

(From 470 102,010,643. − Exemption 4,973,058.) x (From 30) 100.0000% Ontario Allocation x .3000% x (Days in taxation year after Sept 30, 2001: 92 / ** 365 (366 if leap year)) = 502.2 73,376.

Note: *The $5 million deduction from Taxable Paid Up Capital has not yet received legislative authority at the time of printing.*

Total Capital Tax for the taxation year 502.1 + 502.2 ..... = 502 73,376.

*** If floating taxation year, refer to Guide.***

Transfer to 543 *and complete the return from that point.*

Capital Tax *before application of specified credits* ..... = 543 73,376.

Subtract: Specified Tax Credits applied to reduce capital tax payable *(Refer to Guide)* ..... − 546 0.

Capital Tax 543 − 546 ..... = 550 73,376.

Transfer to Page 18

continued on Page 14

Capital Tax *continued from page 13*

Calculation of Capital Tax for Financial Institutions

I.1. Credit Unions only

For taxation years commencing **after May 4, 1999** enter NIL in [550] on page 13, and complete the return from that point.

I.2. Other than Credit Unions

(Retain details of calculations for amounts in boxes [565] and [570]. Do not submit with this tax return.)

[565] 0. x 0.00% X From [30] ____% x [555] 0 ÷ ** 0 (366 if leap year) = + [569] 0.

Lesser of adjusted TPUC and Basic Capital Amount in accordance with Division B.1 — Ontario Allocation — Days in taxation year

[570] 0. x [571] 0.00% X From [30] ____% x [555] 0 ÷ ** 0 (366 if leap year) = + [574] 0.

Adjusted TPUC in accordance with Division B.1 in excess of Basic Capital Amount — Capital Tax Rate *(Refer to Guide)* — Ontario Allocation — Days in taxation year

Capital Tax for Financial Institutions – other than Credit Unions (before Sections II) [569] + [574] = [575] 0.

**** If floating taxation year, refer to Guide.***

II. Small Business Investment Tax Credit

(Retain details of eligible investment calculation and, if claiming an investment in CSBIF, retain the original letter approving the credit issued in accordance with the Community Small Business Investment Fund Act. Do not submit with this tax return.)

Allowable Credit for Eligible Investments . . . . . – [585] 0.

Financial institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (x) ☐ Yes

Capital Tax – Financial Institutions [575] – [585] . . . . . = [586] 0.

Transfer to [543] on Page13

Premium Tax (s.74.2 & 74.3) *(Refer to Guide)*

(1) Uninsured Benefits Arrangements . . . . . [587] 0. x 2% . . . . = [588] 0.

Applies to Ontario-related uninsured benefits arrangements.

(2) Unlicensed Insurance (enter premium tax payable in [588] and attach a detailed schedule of calculations. If subject to tax under (1) above, add both taxes together and enter total tax in [588].)

Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with unlicensed insurers.

Deduct: Specified Tax Credits applied to reduce premium tax *(Refer to Guide)* . . . . . – [589] 0.

Premium Tax [588] – [589] . . . . . = [590] 0.

Transfer to page 18

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

Net Income (loss) for federal income tax purposes, per federal T2 SCH 1 ± 600 -2,624,081.

Transfer to page 16

Add:

Federal capital cost allowance	+ 601	1,344,106.
Federal cumulative eligible capital deduction	+ 602	0.
Ontario taxable capital gain	+ 603	0.
Federal non allowable reserves. Balance beginning of year	+ 604	2,749,493.
Federal allowable reserves. Balance end of year	+ 605	0.
Ontario non-allowable reserves. Balance end of year	+ 606	2,761,379.
Ontario allowable reserves. Balance beginning of year	+ 607	0.
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	+ 608	0.
Federal resource allowance	+ 609	0.
Federal depletion allowance	+ 610	0.
Federal foreign exploration and development expenses	+ 611	0.

Management fees, rents, royalties and similar payments to non-arms' length non-residents

Number of Days in Taxation Year

612	0.	x 5 ÷ 15.5000	x	Days before May 2, 2000: 22	0	÷ Total Days: 73	92	= + 630	0.
612	0.	x 5 ÷ 14.5000	x	Days after May 1, 2000 and before Jan 1, 2001: 24	0	÷ Total Days: 73	92	= + 631	0.
612	0.	x 5 ÷ 14.0000	x	Days after Dec 31, 2000 and before Oct 1, 2001: 26	0	÷ Total Days: 73	92	= + 632	0.
612	0.	x 5 ÷ 12.5000	x	Days after Sept 30, 2001 and before Jan 1, 2003: 28	92	÷ Total Days: 73	92	= + 633	0.

Total add-back amount for Management fees, etc. 630 + 631 + 632 + 633 = + 613 0.

Federal allowable business investment loss + 620 0.

Total of other items not allowed by Ontario but allowed federally *(Attach schedule)* + 614 0.

Subtotal of Additions 601 to 611 + 613 + 620 + 614 = 6,854,978. 640 6,854,978.

Transfer to page 16

continued on Page 16

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

continued from Page 15

Net Income (loss) for federal income tax purposes, per federal T2 SCH 1 ..... From ± 600 -2,624,081.

Subtotal of Additions ..... From = 640 6,854,978.

Deduct:

Ontario capital cost allowance	+	650	1,344,106.
Ontario cumulative eligible capital deduction	+	651	0.
Federal taxable capital gain	+	652	0.
Ontario non-allowable reserves. Balance beginning of year	+	653	2,749,493.
Ontario allowable reserves. Balance end of year	+	654	0.
Federal non-allowable reserves. Balance end of year	+	655	2,761,379.
Federal allowable reserves. Balance beginning of year	+	656	0.
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) *(Retain calculations. Do not submit.)*	+	657	0.
Ontario depletion allowance	+	658	0.
Ontario resource allowance	+	659	0.
Ontario research and development super allowance *(Attach schedule)*	+	660	0.
Government Assistance relating to provincial deductions for scientific research and experimental development added back for federal income tax purposes as a result of the Federal 2000 Budget	+	674	0.
Ontario current cost adjustment *(Attach schedule)*	+	661	0.

Ontario New Technology Tax Incentive (ONTTI) Gross-up
Applies only to those corporations whose Ontario allocation is less than 100% in the current taxation year.

Capital Cost Allowance (Ontario) (CCA) on prescribed qualifying intellectual property deducted in the current taxation year ..... 662 0.

ONTTI Gross-up deduction calculation:

[From 662 0. x (Gross-up of CCA 100 / From 30 .0000 Ontario Allocation)] - From 662 0. = 663 0.

Workplace Child Care Tax Incentive: (***Applies*** to qualifying expenditures incurred after May 5, 1998.)

Qualifying expenditures: [665 0. x 30.00% x (100 / From 30 100.0000 Ontario Allocation)] = 666 0.

Workplace Accessibility Tax Incentive: (***Applies*** to qualifying expenditures incurred after July 1, 1998.)

Qualifying expenditures: [667 0. x 100.00% x (100 / From 30 100.0000 Ontario Allocation)] = 668 0.

Number of Employees accommodated 669 0

Ontario School Bus Safety Tax Incentive (OSBSTI): (***Applies*** to the eligible acquisition of school buses made within the 3 year period commencing after May 4, 1999.) *(Refer to Guide)*

Qualifying expenditures: [670 0. x 30.00% x (100 / From 30 100.0000 Ontario Allocation)] = 671 0.

Educational Technology Tax Incentive: (***Applies*** to qualifying amounts incurred after May 2, 2000.)

Qualifying expenditures: [672 0. x 15.00% x (100 / From 30 100.0000 Ontario Allocation)] = 673 0.

Ontario allowable business investment loss ..... + 678 0.

Total of other deductions allowed by Ontario *(Attach schedule)* ..... + 664 0.

Subtotal of Deductions 650 to 660 + 674 + 661 + 663 + 666 + 668 + 671 + 673 + 678 + 664 = 6,854,978. 680 6,854,978.

Net income (loss) for Ontario Purposes 600 + 640 - 680 ..... = 690 -2,624,081.

Transfer to Page 4

Continuity of Losses Carried Forward

	Non-Capital Losses (1)	Total Capital Losses (9) (10)	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
Balance at Beginning of Year	700 (2) 0	710 (2) 0	720 (2) 0	730 0	740 0	750 0
Add: Current year's losses	701 2,624,081	711 0	721 0	731 0	741 0	751 0
Losses from predecessor corporations (3)	702 0	712 0	722 0	732 0		752 0
Subtotal	703 2,624,081	713 0	723 0	733 0	743 0	753 0
Subtract: Utilized during the year to reduce taxable income	704 0	715 (4) 0	724 0	734 (4) 0	744 (4) 0	754 (4) 0
Expired during the year	705 0		725 0	735 0	745 0	
Carried back to prior years to reduce taxable income (5)	706 (2) to Page 18 0	716 (2) to Page 18 0	726 (2) to Page 18 0	736 (2) to Page 18 0	746 0	
Subtotal	707 0	717 0	727 0	737 0	747 0	757 0
Balance at End of Year	709 2,624,081	719 0	729 0	739 0	749 0	759 0

Notes:

(1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.

(2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5), as made applicable by s.34.

(3) Includes losses on amalgamation (fed.s.87(2.1) and s.87(2.11) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.

(4) To the extent of applicable gains/income/at-risk amount only.

(5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.

(6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.

(7) Include amount form 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.

(8) Amount in 709 must equal total of 829 + 839.

(9) Total Capital Losses for a year is the excess of 100% of the Capital Losses in the taxation year minus 100% of the Capital Gains (less any reserves) in the taxation year. Total Capital Losses is before the inclusion rate has been applied.

(10) In the 2001 CT23 this column now refers to Total Capital Losses (100% of loss), whereas previously the column referred to Net Capital Losses (75% of loss or after the inclusion rate has been applied). Loss amounts that are not carried at 100% of the loss must be grossed back up to 100% by multiplying the balance by 1.333333. No adjustments required where losses are carried at 100% of the loss amount.

Analysis of Balance by Year of Origin

Year of Origin (oldest year first) year month day	Non-Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only (9) (10)	Farm Losses	Restricted Farm Losses
800 1993-09-30				850 0	870 0
801 1994-09-30				851 0	871 0
802 1995-09-30				852 0	872 0
803 1996-09-30	820 0	830 0	840 0	853 0	873 0
804 1997-09-30	821 0	831 0	841 0	854 0	874 0
805 1998-09-30	822 0	832 0	842 0	855 0	875 0
806 1999-09-30	823 0	833 0	843 0	856 0	876 0
807 2000-09-30	824 0	834 0	844 0	857 0	877 0
808 2001-09-30	825 0	835 0	845 0	858 0	878 0
809 2001-12-31	826 2,624,081	836 0	846 0	859 0	879 0
Total	829 2,624,081	839 0	849 0	869 0	889 0

Request for Loss Carry-Back (s.80(16))

Applies to corporations requesting a reassessment of the return of one or more previous taxation years under s.80(16) with respect to one or more types of losses carried back.

- If, after applying a loss carry-back to one or more previous years, there is a balance of loss available to carry forward to a future year, it is the corporation's responsibility to claim such a balance for those years following the year of loss within the limitations of fed.s.111, as made applicable by s.34.
- Where control of a corporation has been acquired by a person or group of persons, certain restrictions apply to the carry-forward and carry-back provisions of losses under fed.s.111(4) through 111(5.5), as made applicable by s.34.
- Refunds arising from the loss carry-back adjustment may be applied by the Minister of Finance to amounts owing under ***any Act administered by the Ministry of Finance.***
- Any late filing penalty applicable to the return for which the loss is being applied will not be reduced by the loss carry-back.
- The application of a loss carry-back will be available for interest calculation purposes on the day that is the latest of the following:
  1) the first day of the taxation year after the loss year,
  2) the day on which the corporation's return for the loss year is delivered to the Minister, or
  3) the day on which the Minister receives a request in writing from the corporation to reassess the particular taxation year to take into account the deduction of the loss.
- If a loss is being carried back to a **predecessor corporation**, enter the predecessor corporation's account number and taxation year end in the spaces provided under Application of Losses below.

Application of Losses

	Predecessor Ontario Corporation's Tax Account No. (MOF)	Taxation Year Ending (year month day)	Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
Total amount of loss			910 2,624,081	920 0	930 0	940 0
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income						
i) 3rd preceding		901	911 0	921 0	931 0	941 0
ii) 2nd preceding		902	912 0	922 0	932 0	942 0
iii) 1st preceding		903	913 0	923 0	933 0	943 0
Total loss to be carried back			From 706 0	From 716 0	From 726 0	From 736 0
Balance of loss available for carry-forward			919 2,624,081	929 0	939 0	949 0

Summary

Income tax	+ From 230 or 320		0.
Corporate Minimum Tax	+ From 280		0.
Capital Tax	+ From 550		73,376.
Premium Tax	+ From 590		0.
Total Tax Payable	= 950		73,376.
Subtract: Payments	– 960		460,837.
Capital Gains Refund (s.48)	– 965		0.
Qualifying Environmental Trust Tax Credit *(Refer to Guide)*	– 985		0.
Specified Tax Credits *(Refer to Guide)*	– 955		0.
Other (specify) _____	–		0.
Balance	= 970		-387,461.
If payment due	Enclosed * 990		0.
If overpayment: Refund *(Refer to Guide)*	= 975		387,461.
Apply to (year month day)	980		0.

(Includes credit interest)

* Make your cheque (drawn on a Canadian financial institution) or a money order in Canadian funds, ***payable to the MINISTER OF FINANCE*** and print your Ontario Corporation's Tax Account No. (MOF) on the back of cheque or money order.

Certification

I am an authorized signing officer of the corporation. I certify that this CT23 return, including all schedules and statements filed with or as part of this CT23 return, has been examined by me and is a true, correct and complete return and that the information is in agreement with the books and records of the corporation. I further certify that the financial statements accurately reflect the financial position and operating results of the corporation as required under section 75 of the *Corporations Tax Act*. The method of computing income for this taxation year is consistent with that of the previous year, except as specifically disclosed in a statement attached.

Name (please print)

DUC LE

Title

DIRECTOR OF FINANCE

Full Residence Address

Signature

Date June 28, 2002

Note: Section 76 of the Corporations Tax Act provides penalties for making false or misleading statements or omissions.

Waterloo North Hydro Inc.
CT23 Line 353

Long term debt	61,864,332.00
Customer deposits	75,542.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
	0.00
Total	61,939,874.00

Waterloo North Hydro Inc.
CT23 Line 371

NBV per f/s		81,032,467.00
UCC per Sch.8		-90,602,418.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
	Total	-9,569,951.00

DOLLARS ONLY

Corporate Minimum Tax - Schedule A: Calculation of CMT Base

Banks - Net income/loss as per report accepted by Superintendent of Financial Institutions (SFI) under the Bank Act (Canada), adjusted so consolidation/equity methods are not used.

Net Income/Loss (unconsolidated, determined in accordance with GAAP)			± 2100	-2,301,947.
Subtract (to the extent reflected in net income/loss):				
Provision for recovery of income taxes		+ 2101	0.	
Provision for deferred income taxes (credits)		+ 2102	0.	
Equity income from corporations		+ 2103	0.	
Share of partnership(s)/joint venture(s) income		+ 2104	0.	
Dividends received/receivable deductible under fed.s.112		+ 2105	0.	
Dividends received/receivable deductible under fed.s.113		+ 2106	0.	
Dividends received/receivable deductible under fed.s.83(2)		+ 2107	0.	
Federal Part VI.1 tax paid on dividends declared and paid after May 5, 1997, under fed.s.191.1(1)	0. x 9/4	+ 2108	0.	
Subtotal		=	0.	- 2109 0.
Add (to extent reflected in net income/loss):				
Provision for current taxes		+ 2110	58,538.	
Provision for deferred income taxes (debits)		+ 2111	0.	
Equity losses from corporations		+ 2112	0.	
Share of partnership(s)/joint venture(s) losses		+ 2113	0.	
Dividends that have been deducted to arrive at net income per Financial Statements. ***Applies*** to dividends that have been declared and paid after May 5, 1997.s.57.4(1.1) (excluding dividends under fed.s.137(4.1))		+ 2114	0.	
Subtotal		=	58,538.	+ 2115 58,538.
Add/Subtract:				
Amounts relating to s.57.9 election/regulations for disposals etc. of property for current/prior years				
** Fed.s.85		+ 2116	0. or - 2117	0.
** Fed.s.85.1		+ 2118	0. or - 2119	0.
** Fed.s.97		+ 2120	0. or - 2121	0.
** Amounts relating to amalgamations (fed.s.87) as prescribed in regulations for current/prior years		+ 2122	0. or - 2123	0.
** Amounts relating to wind-ups (fed.s.88) as prescribed in regulations for current/prior years		+ 2124	0. or - 2125	0.
** Amounts relating to s.57.10 election/regulations for replacement re fed.s.13(4), 14(6) and 44 for current/prior years		+ 2126	0. or - 2127	0.
Interest allowable under ss.20(1)(c) or (d) of ITA to the extent not otherwise deducted in determining CMT adjusted net income		- 2150	0.	
Subtotal (Additions)	=	0.		+ 2128 0.
Subtotal (Subtractions)		=	0.	- 2129 0.
** Other adjustments				± 2130 0.
Subtotal ± 2100 - 2109 + 2115 + 2128 - 2129 ± 2130				= 2131 -2,243,409.
** Share of partnership(s)/joint venture(s) **adjusted** net income/loss				± 2132 0.
Adjusted net income (loss) (if loss, transfer to 2202 *in Schedule B: Continuity of CMT Losses Carried Forward, Page 20.)*				= 2133 -2,243,409.
Deduct: * CMT losses: pre-1994 Loss		+ From 2210	0.	
* CMT losses: other eligible losses		+ From 2211	0.	
		=	0.	- 2134 0.

* CMT losses applied cannot exceed adjusted net income or increase a loss

** *Retain calculations. Do not submit with this tax return.*

CMT Base = 2135 0.

Transfer to CMT Base on Page 8

DOLLARS ONLY

Corporate Minimum Tax (CMT)

Schedule B: Continuity of CMT Losses Carried Forward

Balance at Beginning of year (1), (2)				+ 2201	0.
Add:	Current year's losses	+ 2202	2,243,409.		
	Losses from predecessor corporations on amalgamation (3)	+ 2203	0.		
	Losses from predecessor corporations on wind-up (3)	+ 2204	0.		
	Amalgamation (x) 2205 ☐ Yes Wind-up (x) 2206 ☐ Yes				
Subtotal		=	2,243,409.	+ 2207	2,243,409.
Adjustments (attach schedule)				± 2208	0.
CMT losses available	2201 + 2207 ± 2208			= 2209	2,243,409.
Subtract:	Pre-1994 loss utilized during the year to reduce adjusted net income	+ 2210	0.		
	Other eligible losses utilized during the year to reduce adjusted net income (4)	+ 2211	0.		
	Losses expired during the year	+ 2212	0.		
Subtotal		=	0.	- 2213	0.
Balances at End of Year (5)	2209 - 2213			= 2214	2,243,409.

Notes:

(1) Pre-1994 CMT loss (see s.57.1(1)) should be included in the balance at beginning of the year. Attach schedule showing computation of pre-1994 CMT loss.

(2) Where acquisition of control of the corporation has occurred, the utilization of CMT losses can be restricted. (see s.57.5(3) and s.57.5(7))

(3) Include and indicate whether CMT losses are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.57.5(8) and s.57.5(9))

(4) CMT losses must be used to the extent of the lesser of the adjusted net income 2133 and CMT losses available 2209.

(5) Amount in 2214 must equal sum of 2270 + 2290.

Schedule C: Analysis of CMT Losses Year End Balance by Year of Origin

For a pre-1994 loss, use the date of the last taxation year end before your corporation's first taxation year commencing after 1993.

	Year of Origin (oldest year first) year month day	CMT Losses of Corporation	CMT Losses of Predecessor Corporations
2240	2001-12-31	2260 2,243,409	2280 0
2241		2261 0	2281 0
2242		2262 0	2282 0
2243		2263 0	2283 0
2244		2264 0	2284 0
2245		2265 0	2285 0
2246		2266 0	2286 0
2247		2267 0	2287 0
2248		2268 0	2288 0
2249		2269 0	2289 0
Totals		2270 2,243,409	2290 0

The sum of amounts 2270 + 2290 ***must equal amount in*** 2214.

DOLLARS ONLY

Corporate Minimum Tax (CMT)

Schedule D: Continuity of CMT Credit Carryovers

Balance at Beginning of year (1) ..... + 2301 0.

Add: Current year's CMT Credit (280 on page 8. If negative, enter NIL) ..... + From 280 0.

CMT Credit Carryovers from predecessor corporations (2) ..... + 2302 0.

Amalgamation (x) 2303 ☐ Yes Wind-up (x) 2304 ☐ Yes

Subtotal ..... = 0. + 2305 0.

Adjustments *(Attach schedule)* ..... ± 2306 0.

CMT credit carryover available 2301 + 2305 ± 2306 ..... = 2307 0.

Transfer to Page 8

Subtract: CMT Credit utilized during the year to reduce income tax (Page 8) + From 310 0.

CMT Credit expired during the year ..... + 2308 0.

Subtotal ..... = 0. – 2309 0.

Balance at End of Year (3) 2307 – 2309 ..... = 2310 0.

Notes:

(1) Where acquisition of control of the corporation has occurred, the utilization of CMT credits can be restricted. (see s.43.1(5))

(2) Include and indicate whether CMT credits are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.43.1(4))

(3) Amount in 2310 must equal sum of 2370 + 2390.

Schedule E: Analysis of CMT Credit Carryovers Year End Balance by Year of Origin

	Year of Origin (oldest year first) year month day	CMT Credit Carryovers of Corporation	CMT Credit Carryovers of Predecessor Corporation(s)
2340	2001-12-31	2360 0	2380 0
2341		2361 0	2381 0
2342		2362 0	2382 0
2343		2363 0	2383 0
2344		2364 0	2384 0
2345		2365 0	2385 0
2346		2366 0	2386 0
2347		2367 0	2387 0
2348		2368 0	2388 0
2349		2369 0	2389 0
Totals		2370 0	2390 0

The sum of amounts 2370 + 2390 ***must equal amount in*** 2310.

ONTARIO CT23 SUPPLEMENTARY - LIST OF ASSOCIATED CORPORATIONS

Name of Associated Corporation	Ontario Corp. Tax Number	Taxation Year end	Taxable Capital	Total Assets (Note 1)	Total Revenue (Note 1)	Taxable Income (Note 2)
Waterloo North Hydro Holding			552,660	94,030,635	329,603	0
TOTALS			552,660	94,030,635	329,603	0

Note 1: Enter total assets and total revenues only if "Corporate Minimum Tax (CMT)" is applicable.

Note 2: Enter Taxable Income amounts only if "Surtax on a CCPC" is applicable (i.e. IDSBC is applicable).

Summary of Capital Cost Allowance

Class No. [200]	UCC at Beginning of Year [201]	Cost of Additions During Year [203]	Adjustments [205]	Lesser of Cost or Proceeds [207]	1/2 of [203]-[207] [211]	Rate % [212]	Recapture of Capital Cost Allowance [213]	Terminal Loss [215]	Capital Cost Allowance [217]	Undepreciated Capital Cost end of year [220]
1	79,750,000	8,081,007	-5,994,449	0	4,040,503	4	0	0	784,355	81,052,203
8	5,270,000	697,065	-470,769	0	348,532	20	0	0	259,504	5,236,792
10	4,250,000	1,290,073	-922,353	4,050	643,011	30	0	0	300,247	4,313,423
Total	89,270,000	10,068,145	-7,387,571	4,050	5,032,046		0	0	1,344,106	90,602,418

Attachment O

2002
Tax Returns

T2 CORPORATION INCOME TAX RETURN

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

200
Code 0101

055 Do not use this area

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec, Ontario, or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporate return.

Parts, sections, subsections, and paragraphs mentioned on this return refer to the *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing. If you need more information about items on the return, including proposed legislation, see the corresponding items in the *2001 T2 Corporation Income Tax Guide*.

Send one completed copy of this return, including schedules, and the *General Index of Financial Information* (GIFI) to your tax services office or to the tax centre that serves the corporation. You have to file the return within six months after the end of the corporation's taxation year. For more information on when and how to file T2 returns, see items 1 to 5 in the guide.

Identification

CLIENT COPY

Business Number (BN) 001 865844575RC0001

Corporation's name

002 Waterloo North Hydro Inc. PILS RETURN

Has the corporation changed its name since the last time we were notified? ... 003 1 Yes [ ] 2 No [X]

If *yes*, do you have a copy of the articles of amendment? ..... 004 1 Yes [ ] 2 No [ ]

Address of head office

Has the address changed since the last time we were notified? ..... 010 1 Yes [ ] 2 No [X]

011 300 Northfield Drive East

012 Box 640

City	Province, territory, or state
015 Waterloo	016 ON
Country (other than Canada)	**Postal Code/ZIP code**
017	018 N2J-4A3

Mailing address (if different from head office address)

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

020 1 Yes [ ] 2 No [X]

021 c/o

022

023

City	Province, territory, or state
025	026
Country (other than Canada)	**Postal code/ZIP code**
027	028

Location of books and records

031 300 Northfield Drive East

032 Box 640

City	Province, territory, or state
035 Waterloo	036 ON
Country (other than Canada)	**Postal Code/ZIP code**
037	038 N2J-4A3

040 Type of corporation at the end of the taxation year

1 [X] Canadian-controlled private corporation (CCPC)
2 [ ] Other private corporation
3 [ ] Public corporation
4 [ ] Corporation controlled by a public corporation
5 [ ] Other corporation (please specify, below)

If the type of corporation changed during the taxation year, please provide the effective date of the change ..... 043 _____ YYYY/MM/DD

To which taxation year does this return apply?

Taxation year start	Taxation year end
060 2002-01-01	061 2002-12-31
YYYY/MM/DD	YYYY/MM/DD

Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? ..... 063 1 Yes [ ] 2 No [X]

If *yes*, provide the date control was acquired ..... 065 _____ YYYY/MM/DD

Is the corporation a professional corporation that is a member of a partnership? ..... 067 1 Yes [ ] 2 No [X]

Is this the first year of filing after:

Incorporation? ..... 070 1 Yes [ ] 2 No [X]
Amalgamation? ..... 071 1 Yes [ ] 2 No [X]

If *yes*, please provide Schedule 24

Has there been a windup of a subsidiary under section 88 during the current taxation year?

If *yes*, please provide Schedule 24 ..... 072 1 Yes [ ] 2 No [X]

Is this the final taxation year before amalgamation? ..... 076 1 Yes [ ] 2 No [X]

Is this the final return up to dissolution? ..... 078 1 Yes [ ] 2 No [X]

Is the corporation a resident of Canada?

080 1 Yes [X] 2 No [ ] If *no*, give the country of residence.

081

Is the non-resident corporation claiming an exemption under an income tax treaty?

If *yes*, please provide Schedule 91 ..... 082 1 Yes [ ] 2 No [X]

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

085
1 [ ] Exempt under 149(1)(e) or (l)
2 [ ] Exempt under 149(1)(j)
3 [ ] Exempt under 149(1)(t)
4 [ ] Exempt under other paragraphs of section 149

Do not use this area

091	092	093	094	095	096
097					

Attachments

Financial statement information: For taxation years ending in 2000 and later, use GIFI schedules 100, 125, and 141. * We do not print these schedules.
Schedules - Answer the following questions. For each *yes* response, attach to the T2 return the schedule that applies.

Guide	item		Yes	Schedule
27	Is the corporation related to any other corporations?	150	X	9
28	Does the corporation have any non-resident shareholders?	151		19
29	Is the corporation an associated Canadian-controlled private corporation?	160	X	23
30	Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit?	161		49
32	Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's-length transactions with non-residents	162		11
33	If you answered *yes* to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44
34	Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
35	Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
37	Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166		T5004
38	Is the corporation a member of a partnership for which a partnership identification number has been assigned?	167		T5013
40	Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust?	168		22
41	Did the corporation have any foreign affiliates during the year?	169		25
42	Has the corporation made any payments to non-residents of Canada under subsections 202(1) and 105(1) of the federal *Income Tax Regulations*?	170		29
43	Has the corporation had any non-arm's-length transactions with a non-resident?	171		T106
47	Has the corporation made payments to, or received amounts from, a retirement compensation arrangement in the year?	172		—
46	Does the corporation (private corporations only) have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	X	50
55	Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	X	1
78-81	Has the corporation made any charitable donations, gifts to Canada or a province, or gifts of cultural or ecological property?	202		2
82,104	Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203		3
69-76	Is the corporation claiming any type of losses?	204	X	4
131	Is the corporation claiming a provincial tax credit or does it have a permanent establishment in more than one jurisdiction?	205		5
56	Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206		6
102	i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return, b) a partnership, c) a foreign business, or d) a personal services business; or ii) is the corporation claiming the refundable portion of Part I tax?	207		7
57	Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
58	Does the corporation have any property that is eligible capital property?	210		10
59	Does the corporation have any resource-related deductions?	212		12
60	Is the corporation claiming reserves of any kind?	213		13
61	Is the corporation claiming a patronage dividend deduction?	216		16
62	Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217		17
149	Is the corporation an investment corporation or a mutual fund corporation?	218		18
130	Was the corporation carrying on business in Canada while not a Canadian corporation?	220		20
117	Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221		21
154	Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226		26 *
110	Does the corporation have any Canadian manufacturing and processing profits?	227		27
120	Is the corporation claiming an investment tax credit?	231		31
63	Is the corporation claiming any scientific research and experimental development expenditures?	232		T661
123	Is the corporation subject to gross Part I.3 tax?	233	X	33/34/35
123	Is the corporation a member of a related group with one or more members subject to gross Part I.3 tax?	236	X	36
123	Is the corporation claiming a surtax credit?	237		37
127	Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
127	Is the corporation claiming a Part I tax credit?	242		42
128	Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243		43
128	Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
124	Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249		46
127	For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250		39
127	For life insurance corporations: Is the corporation a member of a related group of insurance corporations with one or more members subject to the additional gross Part VI tax?	251		40
127	For deposit-taking institutions: Is the corporation a member of a related group of financial institutions (other than life insurance corporations) with one or more members subject to the additional Part VI tax?	252		41
151	Is the corporation claiming a Canadian film or video production tax credit refund?	253		T1131

Corporation's name	Business Number	Taxation year-end
Waterloo North Hydro Inc. PILS RETURN	865844575RC0001	2002-12-31

Attachments - continued from page 2

Guide item		Yes	Schedule
129	Is the corporation subject to Part XIII.1 tax?		92 *
152	Is the corporation claiming a film or video production services tax credit refund?		T1177
44	Did the corporation have any foreign affiliates that are not controlled foreign affiliates?		T1134-A
44	Did the corporation have any controlled foreign affiliates?		T1134-B
44	Did the corporation own specified foreign property in the year with a cost amount over $100,000?		T1135
44	Did the corporation transfer or loan property to a non-resident trust?		T1141
44	Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?		T1142
—	Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?		T1145
—	Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?		T1146
—	Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?		T1174
—	Is the corporation claiming the BC mining exploration tax credit?		421
—	Is the corporation claiming the BC SR&ED tax credit?		T666

Additional information

Is the corporation inactive?	280	1 Yes		2 No	X
Has the major business activity changed since the last return was filed? (enter *yes* for first time filers)	281	1 Yes		2 No	X

What is the corporation's major business activity? (Only complete if *yes* was entered at line 281.) 282 _____

If the major activity involves the resale of goods, indicate whether it is wholesale or retail 283 1 Wholesale ☐ 2 Retail ☐

Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.

284	Electricity	285	100 %
286		287	0 %
288		289	0 %

Did the corporation immigrate to Canada during the taxation year?	291	1 Yes		2 No	X
Did the corporation emigrate from Canada during the taxation year?	292	1 Yes		2 No	X

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI		300	4,788,974	A
Deduct: Charitable donations from Schedule 2	311	0		
Gifts to Canada or a province from Schedule 2	312	0		
Cultural gifts from Schedule 2	313	0		
Ecological gifts from Schedule 2	314	0		
Taxable dividends deductible under section 112, 113, or subsection 138(6) from Schedule 3	320	0		
Part VI.1 tax deduction from Schedule 43	325	0		
Non-capital losses of preceding taxation years from Schedule 4	331	2,624,081		
Net-capital losses of preceding taxation years from Schedule 4	332	0		
Restricted farm losses of preceding taxation years from Schedule 4	333	0		
Farm losses of preceding taxation years from Schedule 4	334	0		
Limited partnership losses of preceding taxation years from Schedule 4	335	0		
Taxable capital gains or taxable dividends allocated from a central credit union	340	0		
Prospector's and grubstaker's shares	350	0		
Subtotal		2,624,081	2,624,081	B
Subtotal (amount A minus amount B)			2,164,893	C
Add: Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions		355	0	D
Taxable income (amount C plus amount D)		360	2,164,893	
Income exempt under paragraph 149(1)(t)		370	0	
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370)			2,164,893	Z

Small business deduction

Canadian-controlled private corporations (CCPCs) throughout the taxation year

Income from active business carried on in Canada from Schedule 7	400	4,788,974	A
Taxable income from line 360 or amount Z on page 3, whichever applies, **minus** 10/3 of the amount that would be deductible at line 632*, and 10/4 of line 636** on page 7, and **minus** any amount that, because of federal law is exempt from Part I tax	405	2,164,893	B
Business limit (for associated corporations, enter business limit from Schedule 23)	410	200,000	C

Reduction to business limit:

Amount C 200,000 x 415*** 185,492 D / 11,250 = 3,297,636 E

Reduced business limit (amount C minus amount E) (if negative, enter "0")	425	0	F
Small business deduction - 16.00% of the least of amounts A, B, C, and F (enter amount G on line 9 of page 7)	430	0	G

* Calculate the amount of foreign non-business income tax credit deductible at line 632 without reference to the refundable tax on CCPC's investment income (line 604) and without reference to the corporate tax reductions under section 123.4.

** Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

*** **Large corporation tax for preceding year** - Enter the total gross Part I.3 tax for the corporation for its preceding taxation year, before deducting the surtax credits, increased to reflect a full-year tax liability if the previous year is less than 51 weeks. For associated corporations, see Schedule 23 for the special rules that apply.

Accelerated tax reduction

Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction

Reduced business limit
line 425 0 X $300,000 ÷ increased business limit (Schedule 23) = 0 A

Net active business income (amount from line 400) * 4,788,974 B

Taxable income from line 360 or amount Z on page 3, whichever applies, minus 10/4 of the maximum deductible amount at line 636** on page 7, and minus any amount that, because of federal law is exempt for Part I Tax 2,164,893 C

Deduct:
Aggregate investment income (amount from line 440 of page 6) 0 D

Amount C minus amount D (if negative, enter "0") 2,164,893 2,164,893 E

The least of amounts A, B, or E above 0 F

Amount Z from Part 9 of Schedule 27 0 x 100/7 = 0 G

Amount QQ from Part 13 of Schedule 27 0 H

Resource allowance
(amount from line 346 of Schedule 1) 0 x 3 = 0 I

Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) 0 J

Least of amounts on lines 400, 405, 410, and 425 of the small business deduction 0 K

Total of amounts G, H, I, J, and K 0 0 L

Amount F minus amount L (if negative, enter "0") 0 M

Amount M 0 x Number of days in the taxation year after December 31, 2000 / Number of days in the taxation year 365/365 = 0 N

Accelerated tax reduction - 7% of amount N
(enter amount O on line 637 of page 7) 0 O

* If the amount at line 450 of Schedule 7 is positive, specified partnerships need to use Schedule 70 to calculate net active business income.

** Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the taxation year

Taxable income from line 360 or amount Z of page 3				2,164,893 A
Amount Z from Part 9 of Schedule 27	0 x 100/7		0 B	
Amount QQ from Part 13 of Schedule 27			0 C	
Resource allowance (amount from line 346 of Schedule 1)	0 x 3 =		0 D	
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)			0 E	
Least of amounts on lines 400, 405, 410, and 425 of the small business deduction on page 4			0 F	
Aggregate investment income form line 440 of page 6			0 G	
Amount used to calculate the accelerated tax reduction (amount M of page 4)			0 H	
Total of amounts B, C, D, E, F, G, and H			0	0 I
Amount A minus amount I (if negative, enter "0")				2,164,893 J

Amount J	2,164,893 x	Number of days in the taxation year in 2001 / Number of days in the taxation year	0 / 365	x 1% =		0 K
Amount J	2,164,893 x	Number of days in the taxation year in 2002 / Number of days in the taxation year	365 / 365	x 3% =		64,947 L
Amount J	2,164,893 x	Number of days in the taxation year in 2003 / Number of days in the taxation year	0 / 365	x 5% =		0 M
Amount J	2,164,893 x	Number of days in the taxation year after 2003 / Number of days in the taxation year	0 / 365	x 7% =		0 N

General tax reduction for Canadian-controlled private corporations - Total of amounts K, L, M and N (enter amount O on line 638 of page 7) ..... 64,947 O

General tax reduction

Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or a non-resident-owned investment corporation

Taxable income from line 360 or amount Z of page 3				0 A
Amount Z from Part 9 of Schedule 27	0 x 100/7		0 B	
Amount QQ from Part 13 of Schedule 27			0 C	
Resource allowance (amount from line 346 of Schedule 1)	0 x 3 =		0 D	
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)			0 E	
Total of amounts B, C, D, and E			0	0 F
Amount A minus amount F (if negative, enter "0")				0 G

Amount G	0 x	Number of days in the taxation year in 2001 / Number of days in the taxation year	0 / 365	x 1% =		0 H
Amount G	0 x	Number of days in the taxation year in 2002 / Number of days in the taxation year	365 / 365	x 3% =		0 I
Amount G	0 x	Number of days in the taxation year in 2003 / Number of days in the taxation year	0 / 365	x 5% =		0 J
Amount G	0 x	Number of days in the taxation year after 2003 / Number of days in the taxation year	0 / 365	x 7% =		0 K

General tax reduction - Total of amounts H, I, J and K (enter amount L on line 639 of page 7) ..... 0 L

Corporation's name	Business Number	Taxation year-end
Waterloo North Hydro Inc. PILS RETURN	865844575RC0001	2002-12-31

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the taxation year

Aggregate investment income .... 440 0 x 26 2/3% = ... 0 A
(amount P from Part 1 of Schedule 7)

Foreign non-business income tax credit from line 632 on page 7 0

Deduct:

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

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

Taxable income from line 360 on page 3 2,164,893

Deduct:

Least of amounts on lines 400, 405, 410, and 425 on page 4 ... 0

Foreign non-business income tax credit from line 632 of page 7 ..... 0 x 25/9 = 0

Foreign business income tax credit from line 636 of page 7 ..... 0 x 10/4 = 0

0 0

2,164,893 x 26 2/3% = 577,305 D

Part I tax payable minus investment tax credit refund (line 700 minus line 780 of page 8) ... 565,470

Deduct corporate surtax from line 600 of page 7 24,247

Net amount ..... 541,223 541,223 E

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

Refundable dividend tax on hand

Refundable dividend tax on hand at the end of the preceding taxation year 460 0

Deduct dividend refund for the previous taxation year 465 0

0 0 A

Add the total of:

Refundable portion of Part I tax from line 450 above 0

Total Part IV tax payable from line 360 on page 2 of Schedule 3 0

Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation 480 0

0 0 B

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

Dividend refund

Private and subject corporations at the time taxable dividends were paid in the taxation year

Taxable dividends paid in the taxation year from line 460 on page 2 of Schedule 3 .... 0 x 1/3 0 A

Refundable dividend tax on hand at the end of the taxation year from line 485 above ..... 0 B

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

Corporation's name	Business Number	Taxation year-end
Waterloo North Hydro Inc. PILS RETURN	865844575RC0001	2002-12-31

Part I tax

Base amount of Part I tax - 38.00% of taxable income (line 360 or amount Z, whichever applies) from page 3 ..... 550 822,659 A

Corporate surtax calculation

Base amount from line A above		822,659 1	
Deduct:			
10% of taxable income (line 360 or amount Z, whichever applies) from page 3		216,489 2	
Investment corporation deduction from line 620 below		0 3	
Federal logging tax credit from line 640 below		0 4	
Federal qualifying environmental trust tax credit from line 648 below		0 5	
For a mutual fund corporation or an investment corporation throughout the taxation year, enter the least of a, b, and c below on line 6:			
28.00 % of taxable income from line 360 of page 3	0 a		
28.00 % of taxed capital gains	0 b	0 6	
Part I tax otherwise payable (line A **plus** lines C and D **minus** line F)	0 c		
Total of lines 2 to 6		216,489 7	
Net amount (line 1 minus line 7)		606,170 8	

Corporate surtax - 4.00% of the amount on line 8 ..... 600 24,247 B

Recapture of investment tax credit from line XX in Part 16 of Schedule 31 ..... 602 0 C

Calculation for the refundable tax on Canadian-controlled private corporation's investment income
(for a CCPC throughout the taxation year)

Aggregate investment income from line 440 on page 6		0 i	
Taxable income from line 360 on page 3	2,164,893		
Deduct:			
The least of amounts on lines 400, 405, 410, and 425 of page 4	0		
Net amount	2,164,893	2,164,893 ii	

Refundable tax on CCPC's investment income - 6 2/3% of the lesser of amounts i or ii ..... 604 0 D

Subtotal (add lines A, B, C, and D) 846,906 E

Deduct:

Small business deduction from line 430 of page 4		0 9	
Federal tax abatement	608	216,489	
Manufacturing and processing profits deduction from amount BB or amount VV of Schedule 27	616	0	
Investment corporation deduction	620	0	
(taxed capital gains 624 0)			
Additional deduction - credit unions from Schedule 17	628	0	
Federal foreign non-business income tax credit from Schedule 21	632	0	
Federal foreign business income tax credit from Schedule 21	636	0	
Accelerated tax reduction from amount O of page 4	637	0	
General tax reduction for CCPCs from amount O of page 5	638	64,947	
General tax reduction from amount L of page 5	639	0	
Federal logging tax credit from Schedule 21	640	0	
Federal political contribution tax credit	644	0	
Federal political contributions 646 0			
Federal qualifying environmental trust tax credit	648	0	
Investment tax credit from Schedule 31	652	0	
	Subtotal	281,436	281,436 F

Part I tax payable - Line E minus line F (enter amount G on line 700 of page 8) ..... 565,470 G

Summary of tax and credits

Federal tax

Part I tax payable from page 7	700	565,470
Part I.3 tax payable from Schedule 33, 34, or 35	704	173,287
Part II surtax payable from Schedule 46	708	0
Part IV tax payable from Schedule 3	712	0
Part IV.1 tax payable from Schedule 43	716	0
Part VI tax payable from Schedule 38	720	0
Part VI.1 tax payable from Schedule 43	724	0
Part XIII.1 tax payable from Schedule 92	727	0
Part XIV tax payable from Schedule 20	728	0
Total federal tax		738,757

Add provincial and territorial tax:

Provincial or territorial jurisdiction 750 ON
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)

Net provincial and territorial tax payable (except Quebec, Ontario, and Alberta)	760	0	
Provincial tax on large corporations (New Brunswick and Nova Scotia)	765	0	
		0	0
Total tax payable	770		738,757 A

Deduct other credits:

Investment tax credit refund from Schedule 31	780	0	
Dividend refund from page 6	784	0	
Federal capital gains refund from Schedule 18	788	0	
Federal qualifying environmental trust tax credit refund	792	0	
Canadian film or video production tax credit refund from Form T1131	796	0	
Film or video production services tax credit refund from Form T1177	797	0	
Tax withheld at source	800	0	
Total payments on which tax has been withheld 801		0	
Allowable refund for non-resident-owned investment corporations from Schedule 26	804	0	
Provincial and territorial capital gains refund from Schedule 18	808	0	
Provincial and territorial refundable tax credits from Schedule 5	812	0	
Royalties deductible under Syncrude Remission Order 815		0	
Tax remitted under Syncrude Remission Order	816	0	
Tax instalments paid	840	738,757	
Total credits	890	738,757	738,757 B
Balance (line A minus line B)			0

Refund code 894 0 Overpayment 0

If the result is negative, you have an **overpayment**.
If the result is positive, you have a **balance unpaid**.
Enter the amount on whichever line applies.
We do not charge or refund a difference of less than $2.

Balance unpaid 0

Enclosed payment 898 0

Direct deposit request

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:

☐ Start ☐ Change information 910 _____ Branch number

914 _____ Institution number 918 _____ Account number

If the corporation is a Canadian-controlled private corporation throughout the taxation year, does it qualify for the one month extension of the date the balance of tax is due? 896 1 Yes ☐ 2 No ☒

Certification

I, 950 Singh (Last name in block letters) 951 Albert (First name in block letters) 954 V.P. Finance & CFO (Position, office or rank)

am an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I further certify that the method of calculating income for this taxation year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.

955 _____ Date (yyyy/mm/dd) _____ Signature of an authorized signing officer of the corporation 956 519-886-5090 Telephone number

Is the contact person the same as the authorized signing officer? If *no*, complete the information below 957 1 Yes ☒ 2 No ☐

958 _____ Name in block letters 959 _____ Telephone number

Language of correspondence - Langue de correspondance

990 Please indicate the language of your choice. Indiquer la langue de correspondance de votre choix. 1 English/Anglais ☒ 2 Français/French ☐

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Identification of the corporation (Imported Data)

Name of the corporation	Waterloo North Hydro Inc. PILS RETURN		
Business Number	865844575RC0001	Taxation year end	2002-12-31
Address	300 Northfield Drive East	City	Waterloo
Province, Territory	ON	Postal code	N2J-4A3

Balance Sheet

GIFI	Account	Description		Amount	Prior Year
Assets					
1599		Total current assets	+	26,160,299	23,948,988
2008		Total tangible capital assets	+	87,408,792	81,949,124
2009		Total accumulated amortization of tangible capital assets	-	2,489,280	916,657
2178		Total intangible capital assets	+	0	0
2179		Total accumulated amortization of intangible capital assets	-	0	0
2589		Total long term assets	+	66,923	0
2590		Assets held in trust	+	0	0
2599		**Total Assets** (mandatory field)	=	111,146,734	104,981,455
Liabilities					
3139		Total current liabilities		12,173,972	12,710,928
3450		Total long term liabilities		67,049,008	64,531,088
3460		Subordinated debt		0	0
3470		Amounts held in trust		0	0
3499		**Total liabilities** (mandatory field)		79,222,980	77,242,016
Shareholder equity					
3620		**Total shareholder equity** (mandatory field)		31,923,754	27,739,439
3640		**Total Liabilities and Shareholder Equity**		111,146,734	104,981,455
3849		**Retained Earnings/Deficit - End** (mandatory field)		7,553,330	3,369,015

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Current Assets

GIFI	Account	Description		Amount	Prior year
Cash and deposits					
1000	*	Cash and deposits		2,035,210	1,022,803
1001		Cash		0	0
1002		Deposits in Canadian banks and institutions - Canadian currency		0	0
1003		Deposits in Canadian banks and institutions - Foreign currency		0	0
1004		Deposits in foreign banks - Canadian currency		0	0
1005		Deposits in foreign banks - foreign currency		0	0
1006		Credit union central deposits		0	0
1007		Other cash like instruments		0	0
		Cash and deposits	+	2,035,210	1,022,803
Accounts receivable					
1060	*	Accounts receivable		21,806,092	18,815,675
1062		Trade accounts receivable		0	0
1064		Trade accounts receivable from related parties		0	0
1066		Taxes receivable		0	0
1067		Interest receivable		0	0
1068		Holdbacks receivable		0	0
1069		Leases receivable		0	0
1071		Accounts receivable from employees		0	0
1073		Amounts receivable from members of NPOs		0	0
		Accounts receivable	+	21,806,092	18,815,675
Allowance for doubtful accounts					
1061	*	Allowance for doubtful accounts		0	0
1063		Allowance for doubtful trade accounts receivable		0	0
1065		Allowance for doubtful trade accounts receivable related parties		0	0
1070		Allowance for doubtful amounts contained in leases receivable		0	0
1072		Allowance for doubtful accounts receivable from employees		0	0
		Allowance for doubtful accounts	-	0	0

Inventories

1120	*	Inventories	2,040,091	3,895,939
1121		Inventory of goods for sale	0	0
1122		Inventory parts and supplies	0	0
1123		Inventory properties	0	0
1124		Inventory of aggregates	0	0
1125		Work in progress	0	0
1126		Raw materials	0	0
1127		Inventory of securities	0	0
		Inventories	+ 2,040,091	3,895,939

Short term investments

1180	*	Short term investments	0	0
1181		Canadian term deposits	0	0
1182		Canadian shares	0	0
1183		Canadian bonds	0	0
1184		Canadian treasury bills	0	0
1185		Securities purchased under resale agreements	0	0
1186		Other short term Canadian investments	0	0
1187		Short term foreign investments	0	0
		Short term investments	+ 0	0

Loans and notes receivable

1240	*	Loans and notes receivable	0	0
1241		Demand loans receivable	0	0
1242		Other loans receivable	0	0
1243		Notes receivable	0	0
1244		Mortgages receivable	0	0
		Loans and notes receivable	+ 0	0

Due from shareholder(s)/director(s)

1300	*	Due from shareholder(s)/director(s)	0	0
1301		Due from individual shareholder(s)	0	0
1302		Due from corporate shareholder(s)	0	0
1303		Due from director(s)	0	0
		Due from shareholder(s)/director(s)	+ 0	0

1360		Investment in joint venture(s)/partnership(s)	+ 0	0
1380		Due from joint venture(s)/partnerships(s)	+ 0	0

Due from/investment in related parties

1400	*	Due from/investment in related parties		0	0
1401		Demand notes from related parties		0	0
1402		Interest receivable from related parties		0	0
1403		Loans/advances due from related parties		0	0
		Due from/investment in related parties	+	0	0

1460		Customers' liability under acceptances	+	0	0

Other current assets

1480	*	Other current assets		0	0
1481		Deferred income taxes		0	0
1482		Accrued investment income		0	0
1483		Taxes recoverable/refundable		0	0
1484		Prepaid expenses		278,906	214,571
1485		Drilling advances		0	0
1486		Security/tender deposits		0	0
		Other current assets	+	278,906	214,571

1599		**Total Current Assets**	=	26,160,299	23,948,988

* Generic Item

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Tangible Capital Assets

GIFI	Account	Description		Amount	Prior year
1600		Land	+	0	0
1601		Land improvements	+	0	0

Depletable assets

1620	*	Depletable assets		0	0
1622		Petroleum and natural gas properties		0	0
1624		Mining properties		0	0
1626		Deferred exploration and development charges		0	0
1628		Quarries		0	0
1630		Gravel pits		0	0
1632		Timber limits		0	0
		Depletable assets	+	0	0

Buildings

1680	*	Buildings		0	0
1682		Manufacturing and processing plant		0	0
1684		Buildings under construction		0	0
		Buildings	+	0	0

Machinery, equipment, furniture and fixtures

1740	*	Machinery, equipment, furniture and fixtures		83,650,163	81,032,467
1742		Motor vehicles		0	0
1744		Tools and dies		0	0
1746		Construction and excavating equipment		0	0
1748		Forestry and logging equipment		0	0
1750		Fishing gear and nets		0	0
1752		Mining equipment		0	0
1754		Oil and gas systems		0	0
1756		Production equipment for resource industries		0	0
1758		Production equipment for other than resource industries		0	0
1760		Exploration equipment		0	0
1762		Shipping equipment		0	0
1764		Ships and boats		0	0
1766		Aircraft		0	0
1768		Signs		0	0

Machinery, equipment, furniture and fixtures (cont'd)

1770	Small tools		0	0
1772	Radio and communication equipment		0	0
1774	Computer equipment/software		0	0
1776	Musical instruments		0	0
1778	Satellites		0	0
1780	Earth stations		0	0
1782	Machinery and equipment under construction		0	0
1783	Transportation equipment		0	0
1785	Other machinery and equipment		0	0
1787	Furniture and fixtures		0	0
	Machinery, equipment, furniture and fixtures	+	83,650,163	81,032,467

Other tangible capital assets

1900	* Other tangible capital assets		3,758,629	916,657
1902	Logging roads		0	0
1904	Asphalt and parking areas		0	0
1906	Wharves		0	0
1908	Fences		0	0
1910	Capital leases - buildings		0	0
1912	Capital leases - equipment		0	0
1914	Capital leases - vehicles		0	0
1916	Capital leases - others		0	0
1918	Leasehold improvements		0	0
1920	Other capital assets under construction		0	0
1921	Campsites		0	0
	Other tangible capital assets	+	3,758,629	916,657

2008	**Total Tangible Capital Assets**	=	87,408,792	81,949,124

* Generic Item

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Accumulated Amortization of Tangible Capital Assets

GIFI	Account	Description		Amount	Prior year
1602		Land improvements	+	0	0
		Accumulated amortization of depletable assets			
1621	*	Depletable assets		0	0
1623		Petroleum and natural gas properties		0	0
1625		Mining properties		0	0
1627		Deferred exploration and development charges		0	0
1629		Quarries		0	0
1631		Gravel pits		0	0
1633		Timber limits		0	0
		Accumulated amortization of depletable assets	+	0	0
		Accumulated amortization of buildings			
1681	*	Buildings		0	0
1683		Manufacturing and processing plant		0	0
		Accumulated amortization of buildings	+	0	0
		Accumulated amortization of machinery, equipment, furniture and fixtures			
1741	*	Machinery, equipment, furniture and fixtures		0	0
1743		Motor vehicles		0	0
1745		Tools and dies		0	0
1747		Construction and excavating equipment		0	0
1749		Forestry and logging equipment		0	0
1751		Fishing gear and nets		0	0
1753		Mining equipment		0	0
1755		Oil and gas systems		0	0
1757		Production equipment for resource industries		0	0
1759		Production equipment for other than resource industries		0	0
1761		Exploration equipment		0	0
1763		Shipping equipment		0	0
1765		Ships and boats		0	0
1767		Aircraft		0	0
1769		Signs		0	0
1771		Small tools		0	0
1773		Radio and communication equipment		0	0
1775		Computer equipment/software		0	0
1777		Musical instruments		0	0
1779		Satellites		0	0
1781		Earth stations		0	0
1784		Transportation equipment		0	0
1786		Other machinery and equipment		0	0
1788		Furniture and fixtures		0	0
		Accumulated amortization of machinery, equipment, furniture and fixtures	+	0	0

Accumulated amortization of other tangible capital assets

1901	*	Other tangible capital assets	2,489,280	916,657
1903		Logging roads	0	0
1905		Asphalt and parking areas	0	0
1907		Wharves	0	0
1909		Fences	0	0
1911		Capital leases - buildings	0	0
1913		Capital leases - equipment	0	0
1915		Capital leases - vehicles	0	0
1917		Capital leases - others	0	0
1919		Leasehold improvements	0	0
1922		Campsites	0	0
		Accumulated amortization of other tangible capital assets +	2,489,280	916,657

2009		**Total Accumulated Amortization of Tangible Capital Assets** =	2,489,280	916,657

* Generic Item

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Long Term Assets

GIFI	Account	Description		Amount	Prior year
Due from shareholder(s)/director(s)					
2180	*	Due from shareholder(s)/director(s)		0	0
2181		Due from individual shareholder(s)		0	0
2182		Due from corporate shareholder(s)		0	0
2183		Due from director(s)		0	0
		Due from shareholder(s)/director(s)	+	0	0
2190		Due from members	+	0	0
2200		Investment in joint venture(s)/partnership(s)	+	0	0
2220		Due from joint venture(s)/partnership(s)	+	0	0
Due from/investment in related parties					
2240	*	Due from/investment in related parties		0	0
2241		Due from/investment in Canadian related parties		0	0
2242		Shares in Canadian related corporations		0	0
2243		Loans/advances to Canadian related corporations		0	0
2244		Investment in Canadian related corporations at cost		0	0
2245		Investment in Canadian related corporations at equity		0	0
2246		Due from/investment in foreign related parties		0	0
2247		Shares in foreign related corporations		0	0
2248		Loans/advances to foreign related corporations		0	0
2249		Investment in foreign related corporations at cost		0	0
2250		Investment in foreign related corporations at equity		0	0
		Due from/investment in related parties	+	0	0
2280		Investment in co-tenancy	+	0	0

Long term investments

2300	*	Long term investments	0	0
2301		Foreign shares	0	0
2302		Other types of foreign investments	0	0
2303		Canadian shares	0	0
2304		Government of Canada debt	0	0
2305		Canadian, provincial and municipal government debt	0	0
2306		Canadian corporate bonds and debentures	0	0
2307		Debt securities	0	0
2308		Equity securities	0	0
2309		Securities purchased under resale agreements	0	0
2310		Central credit union shares	0	0
2311		Other Canadian long term investments	0	0
		Long term investments +	0	0

Long term loans

2360	*	Long term loans	0	0
2361		Mortgages	0	0
2362		Personal and credit card loans	0	0
2363		Business and government loans	0	0
2364		Line of credit	0	0
		Long term loans +	0	0

Other long term assets

2420	*	Other long term assets	66,923	0
2421		Deferred income taxes	0	0
2422		Deferred pension charges	0	0
2423		Deferred unrealized exchange losses	0	0
2424		Other deferred items/charges	0	0
2426		Reserve fund	0	0
2427		Cash surrender value of life insurance	0	0
		Other long term assets +	66,923	0

2425		Accumulated amortization of deferred charges -	0	0

2589		**Total Long Term Assets** =	66,923	0

* Generic Item

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Current Liabilities

GIFI	Account	Description		Amount	Prior year
2600		Bank overdraft	+	0	0
		Amounts payable and accrued liabilities			
2620	*	Amounts payable and accrued liabilities		10,566,789	11,098,221
2621		Trade payables		0	0
2622		Trade payables to related parties		1,363,112	1,399,535
2623		Holdbacks payable		0	0
2624		Wages payable		0	0
2625		Management fees payable		0	0
2626		Bonuses payable		0	0
2627		Employee deductions payable		0	0
2628		Withholding taxes payable		0	0
2629		Interest payable		0	0
2630		Amounts payable to members of NPOs		0	0
		Amounts payable and accrued liabilities	+	11,929,901	12,497,756
2680		Taxes payable	+	0	0
		Short term debt			
2700	*	Short term debt		0	0
2701		Loans from Canadian banks		0	0
2702		Liability for securities sold short		0	0
2703		Liability for securities sold under repurchase agreements		0	0
2704		Gold and silver certificates		0	0
2705		Cheques and other items in transit		0	0
2706		Lien notes		0	0
		Short term debt	+	0	0
2770		Deferred income	+	0	0
		Due to shareholder(s)/director(s)			
2780	*	Due to shareholder(s)/director(s)		0	0
2781		Due to individual shareholder(s)		0	0
2782		Due to corporate shareholder(s)		0	0
2783		Due to director(s)		0	0
		Due to shareholder(s)/director(s)	+	0	0
2840		Due to joint venture(s)/partnership(s)	+	0	0

Due to related parties

2860	* Due to related parties		0	0
2861	Demand notes due to related parties		0	0
2862	Interest payable to related parties		0	0
2863	Advances due to related parties		0	0
	Due to related parties	+	0	0

2920	Current portion of long term liability	+	0	0
2940	Bankers' acceptances	+	0	0

Other current liabilities

2960	* Other current liabilities		22,050	70,165
2961	Deposits received		222,021	143,007
2962	Dividends payable		0	0
2963	Deferred income taxes		0	0
2964	Reserve for guarantees, warranties or indemnities		0	0
2965	General provisions/reserves		0	0
2966	Crew shares		0	0
	Other current liabilities	+	244,071	213,172

3139	**Total Current Liabilities**	=	12,173,972	12,710,928

* Generic Item

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Long Term Liabilities

GIFI	Account	Description		Amount	Prior year
Long term debt					
3140	*	Long term debt		61,864,332	61,864,332
3141		Mortgages		0	0
3142		Farm credit corporation loan		0	0
3143		Chartered bank loan		0	0
3144		Credit Union/Caisse Populaire loan		0	0
3145		Provincial government loan		0	0
3146		Supply company loan		0	0
3147		Private loan		0	0
3148		Centrals, leagues, and federation loans		0	0
3149		Line of credit		0	0
3150		Liability for securities sold short		0	0
3151		Liability for securities sold under repurchase agreements		0	0
3152		Lien notes		0	0
		Long term debt	+	61,864,332	61,864,332
3200		Deposit liabilities of financial institutions	+	0	0
3210		Bonds and debentures	+	0	0
3220		Deferred income	+	0	0
3240		Deferred income taxes	+	0	0
Due to shareholder(s)/director(s)					
3260	*	Due to shareholder(s)/director(s)		0	0
3261		Due to individual shareholder(s)		0	0
3262		Due to corporate shareholder(s)		0	0
3263		Due to director(s)		0	0
		Due to shareholder(s)/director(s)	+	0	0
3270		Due to members	+	0	0
3280		Due to joint venture(s)/partnership(s)	+	0	0
Due to related parties					
3300	*	Due to related parties		0	0
3301		Amounts owing to related Canadian parties		0	0
3302		Amounts owing to related foreign parties		0	0
		Due to related parties	+	0	0

Other long term liabilities

3320	*	Other long term liabilities	5,184,676	2,666,756
3321		Long term obligations/commitments/capital leases	0	0
3322		Reserves for guarantees, warranties or indemnities	0	0
3323		Provision for site restoration	0	0
3324		Contributions to qualifying environmental trust	0	0
3325		General provisions/reserves	0	0
3326		Preference shares restated	0	0
3327		Member allocations	0	0
3328		Deferred revenue from incomplete contracts	0	0
		Other long term liabilities	+ 5,184,676	2,666,756

3450		**Total Long Term Liabilities**	= 67,049,008	64,531,088

* Generic Item

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Shareholder Equity

GIFI	Account	Description		Amount	Prior year
		Shareholder equity			
3500		Common shares	+	24,370,424	24,370,424
3520		Preferred shares	+	0	0
		Contributed and other surplus			
3540	*	Contributed and other surplus		0	0
3541		Contributed surplus		0	0
3542		Appraisal surplus		0	0
3543		General reserve		0	0
		Contributed and other surplus	+	0	0
3570		Head office account	+	0	0
3600		Retained earnings/deficit	+	7,553,330	3,369,015
3620		**Total Shareholder Equity**	=	31,923,754	27,739,439

* Generic Item

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Retained Earning/Deficit

GIFI	Account	Description		Amount	Prior year
3660		Retained earnings/deficit - start	+	3,369,015	5,670,962
3680		Net income/loss	+	4,184,315	-2,301,947
		Dividends declared			
3700	*	Dividends declared		0	0
3701		Cash dividends		0	0
3702		Patronage dividends		0	0
		Dividends declared	-	0	0
3720		Prior period adjustments	+	0	0
		Other items affecting retained earnings			
3740	*	Other items affecting retained earnings		0	0
3741		Share redemptions		0	0
3742		Special reserves		0	0
3743		Currency adjustments		0	0
3744		Unusual revenue items		0	0
3745		Interfund transfer		0	0
		Other items affecting retained earnings	+	0	0
3849		**Retained Earnings/Deficit - End**	=	7,553,330	3,369,015

* Generic Item

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Income Statement

GIFI	Description		
0001	Operating name	Waterloo North Hydro Inc.	PILS RETURN
0002	Description of the operation	Sale of electricity	
0003	Sequence Number		

GIFI	Account	Description		Amount	Prior year
Income Statement Information					
8089		Total sales of goods and services	+	113,007,725	23,148,991
8518		Cost of sales	-	92,447,418	21,940,082
8519		**Gross profit/loss**	=	20,560,307	1,208,909
8518		Cost of sales	+	92,447,418	21,940,082
9367		Total operating expenses	+	16,710,724	4,062,484
9368		**Total expenses** (mandatory field)	=	109,158,142	26,002,566
8299		Total revenue (mandatory field)	+	114,345,169	23,759,157
9368		Total expenses (mandatory field)	-	109,158,142	26,002,566
9369		**Net non-farming income**	=	5,187,027	-2,243,409
Farming Income Statement Information					
9659		Total farm revenue (mandatory field)	+	0	0
9898		Total farm expenses (mandatory field)	-	0	0
9899		**Net farm income**	=	0	0
9970		**Net Income/Loss before Taxes and Extraordinary Items**		5,187,027	-2,243,409

Extraordinary items and income taxes (linked to Schedule 140)

9975	Extraordinary item(s)	0	0
9976	Legal settlements	0	0
9980	Unrealized gains/losses	0	0
9985	Unusual items	0	0
9990	Current income taxes	1,002,712	58,538
9995	Deferred income tax provision	0	0
9999	**Net Income/Loss after Taxes and Extraordinary Items** (mandatory field)	4,184,315	-2,301,947

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Revenue

GIFI	Account	Description		Amount	Prior year
8000		Trade sales of goods and services	+	113,007,725	23,148,991
8020		Sales of goods and services to related parties	+	0	0
8030		Interdivisional sales	+	0	0

Sales from resource properties

8040	*	Sales from resource properties		0	0
8041		Petroleum and natural gas sales		0	0
8042		Petroleum and natural gas sales to related parties		0	0
8043		Gas marketing		0	0
8044		Processing revenue		0	0
8045		Pipeline revenue		0	0
8046		Seismic sales		0	0
8047		Mining revenue		0	0
8048		Coal revenue		0	0
8049		Oil sands revenue		0	0
8050		Royalty income		0	0
8051		Oil and gas partnership/joint venture income/loss		0	0
8052		Mining partnership/joint venture income/loss		0	0
8053		Other production revenue		0	0
		Sales from resource properties	+	0	0

8089		**Total sales of goods and services**	=	113,007,725	23,148,991

Investment revenue

8090	*	Investment revenue		0	0
8091		Interest from foreign sources		0	0
8092		Interest from Canadian bonds and debentures		0	0
8093		Interest from Canadian mortgage loans		0	0
8094		Interest from other Canadian sources		0	0
8095		Dividend income		0	0
8096		Dividends from Canadian sources		0	0
8097		Dividends from foreign sources		0	0
		Investment revenue	+	0	0

Interest income (financial institutions)

8100	*	Interest income (financial institutions)		0	0
8101		Loan interest		0	0
8102		Securities interest		0	0
8103		Deposits with banks interest		0	0
		Interest income (financial institutions)	+	0	0

Commission revenue

8120	*	Commission revenue		0	0
8121		Commission income on real estate transactions		0	0
		Commission revenue	+	0	0

Rental revenue

8140	*	Rental revenue		0	0
8141		Real estate rental revenue		0	0
8142		Film rental revenue		0	0
		Rental revenue	+	0	0

8150		Vehicle leasing	+	0	0

Fishing revenue

8160	*	Fishing revenue		0	0
8161		Fish products		0	0
8162		Other marine products		0	0
8163		Fishing grants, credits and rebates		0	0
8164		Fishing subsidies		0	0
8165		Compensation for loss of fishing income or property		0	0
8166		Sharesman income		0	0
		Fishing revenue	+	0	0

Realized gains/losses on disposal of assets

8210	*	Realized gains/losses on disposal of assets		0	0
8211		Realized gains/losses on sale of investments		0	0
8212		Realized gains/losses on sale of resource properties		0	0
		Realized gains/losses on disposal of assets	+	0	0

NPO amounts received

8220	NPO amounts received		0	0
8221	Membership fees		0	0
8222	Assessments		0	0
8223	Gifts		0	0
8224	Gross sales and revenues from organizational activities		0	0
	NPO amounts received	+	0	0

Other revenue

8230	* Other revenue		1,337,444	610,166
8231	Foreign exchange gains/losses		0	0
8232	Income/loss of subsidiaries/affiliates		0	0
8233	Income/loss of other divisions		0	0
8234	Income/loss of joint ventures		0	0
8235	Income/loss of partnerships		0	0
8236	Realization of deferred revenues		0	0
8237	Royalty income other than resource		0	0
8238	Alberta royalty tax credits		0	0
8239	Management and administration fees		0	0
8240	Telecommunications revenue		0	0
8241	Consulting fees		0	0
8242	Subsidies and grants		0	0
8243	Sale of by-products		0	0
8244	Deposit services		0	0
8245	Credit services		0	0
8246	Card services		0	0
8247	Patronage dividends		0	0
8248	Insurance recoveries		0	0
8249	Expense recoveries		0	0
8250	Bad debt recoveries		0	0
	Other revenue	+	1,337,444	610,166

8299	**Total Revenue**	=	114,345,169	23,759,157

* Generic Item

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Cost of Sales

GIFI	Account	Description		Amount	Prior year
Opening inventory					
8300	*	Opening inventory		0	0
8301		Opening inventory - finished goods		0	0
8302		Opening inventory - raw materials		0	0
8303		Opening inventory - goods in process		0	0
		Opening inventory	+	0	0
8320		Purchases/cost of materials	+	92,447,418	21,940,082
8340		Direct wages	+	0	0
8350		Benefits on direct wages	+	0	0
8360		Trades and sub-contracts	+	0	0
8370		Production costs other than resource	+	0	0
Resource production costs					
8400	*	Resource production costs		0	0
8401		Pipeline operations		0	0
8402		Drilling		0	0
8403		Site restoration costs		0	0
8404		Gross overriding royalty		0	0
8405		Freehold royalties		0	0
8406		Other producing properties rental		0	0
8407		Prospect/geological		0	0
8408		Well operating, fuel and equipment		0	0
8409		Well abandonment and dry holes		0	0
8410		Other lease rentals		0	0
8411		Exploration expenses		0	0
8412		Development expenses		0	0
		Resource production costs	+	0	0
Crown charges					
8435	*	Crown charges		0	0
8436		Crown royalties		0	0
8437		Crown lease rentals		0	0
8438		Freehold mineral tax		0	0
8439		Mining taxes		0	0
8440		Oil sand leases		0	0
8441		Saskatchewan resource surcharge		0	0
		Crown charges	+	0	0

Other direct costs

8450	*	Other direct costs	0	0
8451		Equipment hire and operation	0	0
8452		Log yard	0	0
8453		Forestry costs	0	0
8454		Logging road costs	0	0
8455		Stumpage costs	0	0
8456		Royalty costs	0	0
8457		Freight in and duty	0	0
8458		Inventory write down	0	0
8459		Direct cost amortization of tangible assets	0	0
8460		Direct cost amortization of natural resource assets	0	0
8461		Overhead expenses allocated to cost of sales	0	0
		Other direct costs +	0	0

Closing inventory

8500	*	Closing inventory	0	0
8501		Closing inventory - finished goods	0	0
8502		Closing inventory - raw materials	0	0
8503		Closing inventory - goods in process	0	0
		Closing inventory -	0	0

8518		**Cost of Sales** =	92,447,418	21,940,082

* Generic Item

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Operating Expenses

GIFI	Account	Description		Amount	Prior year
Advertising and promotion					
8520	*	Advertising and promotion		226,100	94,148
8521		Advertising		0	0
8522		Donations		0	0
8523		Meals and entertainment		0	0
8524		Promotion		0	0
		Advertising and promotion	+	226,100	94,148
8570		Amortization of intangible assets	+	0	0
8590		Bad debt expense	+	0	0
Loan losses					
8610	*	Loan losses		0	0
8611		Provision for loan losses		0	0
		Loan losses	+	0	0
Employee benefits					
8620	*	Employee benefits		0	0
8621		Group insurance benefits		0	0
8622		Employer's portion of employee benefits		0	0
8623		Contributions to deferred income plans		0	0
		Employee benefits	+	0	0
8650		Amortization of natural resource assets	+	0	0
8670		Amortization of tangible assets	+	5,153,483	981,218
Insurance					
8690	*	Insurance		0	0
8691		Life insurance on executives		0	0
		Insurance	+	0	0

Interest and bank charges

8710	*	Interest and bank charges	1,393,332	262,882
8711		Interest on short term debt	0	0
8712		Interest on bonds and debentures	0	0
8713		Interest on mortgages	0	0
8714		Interest on long term debt	0	0
8715		Bank charges	0	0
8716		Credit card charges	0	0
8717		Collection and credit costs	0	0
		Interest and bank charges +	1,393,332	262,882

Interest paid (financial institutions)

8740	*	Interest paid (financial institutions)	0	0
8741		Interest paid on deposits	0	0
8742		Interest paid on bonds and debentures	0	0
		Interest paid (financial institutions) +	0	0

Business taxes, licences and memberships

8760	*	Business taxes, licences and memberships	301,952	0
8761		Memberships	0	0
8762		Business taxes	0	0
8763		Franchise fees	0	0
8764		Government fees	0	0
		Business taxes, licences and memberships +	301,952	0

8780		New Brunswick tax on large corporations +	0	0
8790		Nova Scotia tax on large corporations +	0	0

Office expenses

8810	*	Office expenses	0	0
8811		Office stationery and supplies	0	0
8812		Office utilities	0	0
8813		Data processing	0	0
		Office expenses +	0	0

Professional fees

8860	*	Professional fees	0	0
8861		Legal fees	0	0
8862		Accounting fees	0	0
8863		Consulting fees	0	0
8864		Architect fees	0	0
8865		Appraisal fees	0	0
8866		Laboratory fees	0	0
8867		Medical fees	0	0
8868		Veterinary fees	0	0
8869		Brokerage fees	0	0
8870		Transfer fees	0	0
8871		Management and administration fees	0	0
8872		Refining and assay	0	0
8873		Registrar and transfer agent fees	0	0
8874		Restructuring costs	0	0
8875		Security and exchange commission fees	0	0
8876		Training expense	0	0
8877		Studio and recording	0	0
		Professional fees	+ 0	0

Rental

8910	*	Rental	0	0
8911		Real estate rental	0	0
8912		Occupancy costs	0	0
8913		Condominium fees	0	0
8914		Equipment rental	0	0
8915		Motor vehicle rentals	0	0
8916		Moorage (boat)	0	0
8917		Storage	0	0
8918		Quota rental	0	0
		Rental	+ 0	0

Repairs and maintenance

8960	*	Repairs and maintenance	0	0
8961		Repairs and maintenance - buildings	0	0
8962		Repairs and maintenance - vehicles	0	0
8963		Repairs and maintenance - boats	0	0
8964		Repairs and maintenance - machinery and equipment	0	0
		Repairs and maintenance	+ 0	0

Other repairs and maintenance

9010	*	Other repairs and maintenance	0	0
9011		Machine shop expense	0	0
9012		Road costs	0	0
9013		Security	0	0
9014		Garbage removal	0	0
		Other repairs and maintenance	+ 0	0

Salaries and wages

9060	*	Salaries and wages	0	0
9061		Commissions	0	0
9062		Crew share	0	0
9063		Bonuses	0	0
9064		Directors fees	0	0
9065		Management salaries	0	0
9066		Employee salaries	0	0
		Salaries and wages +	0	0

9110		Sub-contracts +	0	0

Supplies

9130	*	Supplies	0	0
9131		Small tools	0	0
9132		Shop expense	0	0
9133		Uniforms	0	0
9134		Laundry	0	0
9135		Food and catering	0	0
9136		Fishing gear	0	0
9137		Nets and traps	0	0
9138		Salt, bait and ice	0	0
9139		Camp supplies	0	0
9150		Computer-related expenses	0	0
9151		Upgrade	0	0
9152		Internet	0	0
		Supplies +	0	0

9180		Property taxes	0	0

Travel expenses

9200	*	Travel expenses	0	0
9201		Meetings and conventions	0	0
		Travel expenses +	0	0

Utilities

9220	*	Utilities	0	0
9221		Electricity	0	0
9222		Water	0	0
9223		Heat	0	0
9224		Fuel costs	0	0
9225		Telephone and telecommunications	0	0
		Utilities +	0	0

Other expenses

9270	*	Other expenses	3,557,785	363,250
9271		Cash over/short	0	0
9272		Reimbursement of parent company expense	0	0
9273		Selling expenses	0	0
9274		Shipping and warehouse expense	0	0
9275		Delivery, freight and express	4,240,244	1,285,578
9276		Warranty expenses	0	0
9277		Royalty expenses - resident	0	0
9278		Royalty expenses - non-resident	0	0
9279		Dumping charges	0	0
9280		Land fill fees	0	0
9281		Vehicle expenses	0	0
9282		Research and development	0	0
9283		Withholding taxes	0	0
9284		General and administrative expenses	1,837,828	1,075,408
9285		Interdivisional	0	0
9286		Interfund transfer	0	0
		Other expenses	+ 9,635,857	2,724,236

9367	**Total Operating Expenses**	= 16,710,724	4,062,484

* Generic Item

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Income Statement Summary

These amounts will print on Schedule 125 **if only one** Schedule 125 has been completed.

Total number of schedule 125 forms: 1

GIFI	Account	Description		Amount	Prior year
9970		**Net income/loss before taxes and extraordinary items**	+	5,187,027	-2,243,409
9975		**Extraordinary item(s)**	-	0	0
9976		Legal settlements	-	0	0
9980		**Unrealized gains/losses**	+	0	0
9985		**Unusual items**	-	0	0
9990		**Current income taxes**	-	1,002,712	58,538
9995		**Deferred income tax provision**	-	0	0
9999		**Net Income/Loss after Taxes and Extraordinary Items** (mandatory field)	=	4,184,315	-2,301,947

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

NOTES CHECKLIST
(1998 and later taxation years)

- This form is to be used by all corporations that do not use a software package to prepare financial statement information and are not eligible to use the GIFI-Short form.
- Use this schedule to report a notes checklist for the corporation's financial statement information.
- For more information, see the "Guide to the General Index of Financial Information (GIFI) for Corporations" and the "T2 Corporation Income Tax Guide."
- The following questions have to be answered:
  - questions 100, 101, and 108;
  - if you answer "yes" to question 101, you have to answer questions 102 to 107;
  - if you answer "yes" to question 108, you have to answer question 109.

Part 1 - Involvement of accountant

Who reported on or prepared the corporation's financial statements? ... 100

Tick only one of the following:

		[X]
An independent auditor with a report that expressed no reservation	1	[X]
An independent auditor with a report that expressed a reservation	2	[ ]
An independent accountant with a review engagement report that expressed no reservation	3	[ ]
An independent accountant with a review engagement report that expressed a reservation	4	[ ]
An independent accountant who conducted a compilation engagement with no review	5	[ ]
An independent accountant with a compilation and review engagement resulting in no reservation	6	[ ]
An independent accountant with a compilation and review engagement resulting in a reservation	7	[ ]
Prepared by an employee/associate/management of the company, or a person for the company, without a review/audit by an independent accountant/auditor	8	[ ]

Part 2 - Other information

		Yes/No
Were notes to the financial statements prepared?	101	[Y]
Are any values presented at other than cost?	102	[N]
Has there been a change in accounting policies since the last return?	103	[N]
Are subsequent events mentioned in the notes?	104	[N]
Is re-evaluation of asset information mentioned in the notes?	105	[N]
Is contingent liability information mentioned in the notes?	106	[N]
Is information regarding commitments mentioned in the notes?	107	[N]
Does the corporation have investments in joint venture(s) or partnership(s)?	108	[N]
If "yes," are you filing financial statements of the joint venture(s) or partnership(s)?	109	[ ]

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

NET INCOME (LOSS) FOR INCOME TAX PURPOSES

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes.
- Please provide us with the applicable details in the identification area, and complete the applicable lines that contain a numbered black box. You should report amounts in accordance with the Generally Accepted Accounting Principles (GAAP).
- Sections, subsections, and paragraphs referred to an this schedule are from the "Income Tax Act."
- For more information, see the "T2 Corporation Income Tax Guide."

Net income (loss) after taxes and extraordinary items per financial statements			4,184,315 A
Additions:			
Provision for income taxes - current	101	1,002,712	
Amortization of tangible assets	104	5,880,082	
Non-deductible meals and entertainment expenses	121	9,442	
Reserves from financial statements - balance at the end of the year	126	2,810,433	
Subtotal of additions		9,702,669	9,702,669
Other Additions:			
Miscellaneous Other Additions:			
Subtotal of Other Additions	199	0	0
Total Additions	500	9,702,669	9,702,669
Deductions:			
Gain on disposal of assets per financial statements	401	276,591	
Capital cost allowance from Schedule 8	403	5,870,999	
Reserves from financial statements-balance at the beginning of the year	414	2,761,379	
Subtotal of Deductions		8,908,969	8,908,969
Other Deductions:			
Miscellaneous Other Deductions:			
700 Contributed capital amortization	390	189,041	
Subtotal of Other Deductions	499	189,041	189,041
Total Deductions	510	9,098,010	9,098,010
Net income (loss) for income tax purposes (enter on line 300 on the T2 return)			4,788,974

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

CORPORATION LOSS CONTINUITY AND APPLICATION
(2000 and later taxation years)

- For use by a corporation to determine the continuity and use of available losses; to determine the current-year non-capital loss, farm loss, restricted farm loss, and limited partnership loss; to determine the amount of restricted farm loss and limited partnership loss that may be applied in a year; and to request a loss carryback to prior years.
- The corporation can choose whether or not to deduct an available loss from income in a taxation year. It can deduct losses in any order. However, for each type of loss, deduct the oldest loss first.
- For a detailed description and calculation of these losses, see Interpretation Bulletin IT-232, "Losses - Their Deductibility in the Loss Year or in Other Years." For information on these losses, see the "T2 Corporation Income Tax Guide."
- File one completed copy of this schedule with the T2 return, or forward it by itself to the tax centre where the return is filed.
- Parts, sections, subsections, and paragraphs, referred to on this schedule are from the federal "Income Tax Act."

Part 1 - Non-capital losses

Determination of current-year non-capital loss

Net income (loss) for income tax purposes		4,788,974
Deduct: (increase a loss)		
Net capital losses deducted in the year (enter as a positive amount)	0	
Taxable dividends deductible under sections 112, 113, or subsection 138(6)	0	
Amount of Part VI.1 tax deductible	0	
Amount deductible as prospector's and grubstaker's shares - Paragraph 110(1)(d.2)	0	0
Subtotal (if positive, enter "0")		0
Deduct: (increase a loss)		
Section 110.5 - Addition for foreign tax deductions		0
Subtotal		0
Add: (decrease a loss)		
Current-year farm loss		0
Current-year non-capital loss (if positive, enter "0")		0

Continuity of non-capital losses and request for a carryback

Non-capital loss at the end of preceding taxation year		2,624,081	
Deduct: Non-capital loss expired after seven taxation years	100	0	
Non-capital losses at beginning of taxation year	102	2,624,081	
Add: Non-capital losses transferred on amalgamation or wind-up of subsidiary corporation	105	0	
Current-year non-capital loss (from calculation above)	110	0	2,624,081

Continuity of non-capital losses and request for a carryback (cont'd)

Deduct:			
Amount applied against taxable income (enter on line 331 of the T2 return)	130	2,624,081	
Amount applied against taxable dividends subject to Part IV tax	135	0	
Section 80 - Adjustments for forgiven amounts	140	0	
Subsection 111(10) - Adjustments for fuel tax rebate		0	
Other adjustments	150	0	2,624,081
		Subtotal	0
Deduct - Request to carry back non-capital loss to:			
First preceding taxation year to reduce taxable income	901	0	
Second preceding taxation year to reduce taxable income	902	0	
Third preceding taxation year to reduce taxable income	903	0	
First preceding taxation year to reduce taxable dividends subject to Part IV tax	911	0	
Second preceding taxation year to reduce taxable dividends subject to Part IV tax	912	0	
Third preceding taxation year to reduce taxable dividends subject to Part IV tax	913	0	0
Non-capital losses - Closing balance	180		0

Election under paragraph 88(1.1)(f)

Paragraph 88(1.1)(f) election indicator 190 Yes [ ]

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

Part 2 - Capital losses

Continuity of capital losses and request for a carryback

Capital losses at end of preceding taxation year	200	0	
Capital losses transferred on amalgamation or wind-up of subsidiary corporation	205	0	
Current-year capital loss (from Schedule 6 calculation)	210	0	0
Add:			
Allowable business investment loss expired as non-capital loss	0x 4/3	220	0
		Subtotal	0
Deduct:			
Amount applied against current-year capital gain (see note 1)	225	0	
Section 80 - Adjustments for forgiven amounts	240	0	
Other adjustments	250	0	0
		Subtotal	0

Deduct - Request to carry back capital loss to: (see note 2)

	Capital gain (100%)		Amount carried back (100%)	
First preceding taxation year	0	951	0	
Second preceding taxation year	0	952	0	
Third preceding taxation year	0	953	0	0
Capital losses - Closing balance		280		0

Part 2 - Capital losses

Continuity of capital losses and request for a carryback (cont'd)

Capital losses carried back to taxation years ending before February 28, 2000, the inclusion rate is 3/4.
Capital losses carried back to taxation years starting after October 17, 2000, the inclusion rate is 2/3.
For taxation years that straddle February 28, 2000 or October 18, 2000, the inclusion rate will be determine by dividing the total taxable capital gain by the total capital gain.

Note 1

On line 332 of the T2 return, enter the amount from line 225 multiplied by the current year inclusion rate (see Schedule 6.)

Note 2

Enter on lines 225, 951, 952, or 953, whichever is applicable, the actual amount of the loss. At the time of the application of the loss carryback, the net capital loss amount will be calculated at the inclusion rate of the year to which the net capital loss it is applied.

Part 3 - Farm losses

Continuity of farm losses and request for a carryback

Farm losses at end of preceding taxation year		0	
Deduct: Farm loss expired after 10 taxation years	300	0	
Farm losses at beginning of taxation year	302	0	
Add: Farm losses transferred on amalgamation or wind-up of subsidiary corporation	305	0	
Current-year farm loss	310	0	0
Deduct:			
Amount applied against taxable income (enter on line 334 of the T2 return)	330	0	
Amount applied against taxable dividends subject to Part IV tax	335	0	
Section 80 - Adjustment forgiven amount	340	0	
Other adjustments	350	0	0
		Subtotal	0
Deduct - Request to carry back farm loss to:			
First preceding taxation year to reduce taxable income	921	0	
Second preceding taxation year to reduce taxable income	922	0	
Third preceding taxation year to reduce taxable income	923	0	
First preceding taxation year to reduce taxable dividends subject to Part IV tax	931	0	
Second preceding taxation year to reduce taxable dividends subject to Part IV tax	932	0	
Third preceding taxation year to reduce taxable dividends subject to Part IV tax	933	0	0
Farm losses - Closing balance	380		0

Restricted Farm Loss Determination:
Is the corporation exempt from the restricted farm loss rules?
(A reply of "NO" triggers the restricted farm loss rules.) [Y/N] [Y]

Part 4 - Restricted farm losses

Current-year restricted farm loss

Total losses for the year from farming business			485		0 A
Minus the deductible farm loss:					
$2,500 plus B or C, whichever is less				2,500	
(Amount A above	0 -	$2,500) divided by 2 =	0 B		
			6,250 C	0	2,500
Current-year restricted farm loss (enter this amount on line 410)					0

Continuity of restricted farm losses and request for a carryback

Restricted farm losses at end of preceding taxation year		0	
Deduct: Restricted farm loss expired after 10 taxation years	400	0	
Restricted farm losses at beginning of taxation year	402	0	
Add: Restricted farm losses transferred on amalgamation or wind-up of subsidiary corporation	405	0	
Current-year restricted farm loss (enter on line 233 of Schedule 1)	410	0	0
Deduct:			
Amount applied against farming income (enter on line 333 of the T2 return)	430	0	
Section 80 - Adjustments for forgiven amounts	440	0	
Other adjustments	450	0	0
		Subtotal	0
Deduct - Request to carry back restricted farm loss to:			
First preceding taxation year to reduce farming income	941	0	
Second preceding taxation year to reduce farming income	942	0	
Third preceding taxation year to reduce farming income	943	0	0
Restricted farm losses - Closing balance	480		0

Note

The total losses for the year from all farming businesses are computed without including any scientific research expenses.

Part 5 - Listed personal property losses

Continuity of listed personal property loss and request for a carryback

Listed personal property losses at end of preceding taxation year			0
Deduct: Listed personal property loss expired after seven taxation years	500		0
Listed personal property losses at beginning of taxation year	502		0
Add: Current-year listed personal property loss (from Schedule 6)	510		0
		Subtotal	0
Deduct:			
Amount applied against listed personal property gains (enter on line 655 of Schedule 6)	530	0	
Other adjustments	550	0	0
		Subtotal	0
Deduct - Request to carry back listed personal property loss to:			
First preceding taxation year to reduce listed personal property gains	961	0	
Second preceding taxation year to reduce listed personal property gains	962	0	
Third preceding taxation year to reduce listed personal property gains	963	0	0
Listed personal property losses - Closing balance	580		0

Part 6 - Analysis of balance of losses by year of origin

Non-capital losses

Year of origin	Balance at Beginning of year	Loss Incurred in Current Year	Adjustments and Transfers <F1> for help	Loss Carried Back Parts I & 4	Applied to Reduce: Taxable Income	Applied to Reduce: Part IV Tax	Balance at End of Year	
Current	N/A	0	0	0	N/A	0	0	
2001	2,624,081	N/A	0	N/A	2,624,081	0	0	
2001	0	N/A	0	N/A	0	0	0	
2000	0	N/A	0	N/A	0	0	0	
1999	0	N/A	0	N/A	0	0	0	
1998	0	N/A	0	N/A	0	0	0	
1997	0	N/A	0	N/A	0	0	0	
1996	0	N/A	0	N/A	0	0	0	*
Total	2,624,081	0	0	0	2,624,081	0	0	

Farm losses

Year of origin	Balance at Beginning of year	Loss Incurred in Current Year	Adjustments and Transfers <F1> for help	Loss Carried Back Parts I & 4	Applied to Reduce: Taxable Income	Applied to Reduce: Part IV Tax	Balance at End of Year	
Current	N/A	0	0	0	N/A	0	0	
2001	0	N/A	0	N/A	0	0	0	
2001	0	N/A	0	N/A	0	0	0	
2000	0	N/A	0	N/A	0	0	0	
1999	0	N/A	0	N/A	0	0	0	
1998	0	N/A	0	N/A	0	0	0	
1997	0	N/A	0	N/A	0	0	0	
1996	0	N/A	0	N/A	0	0	0	
1995	0	N/A	0	N/A	0	0	0	
1994	0	N/A	0	N/A	0	0	0	
1993	0	N/A	0	N/A	0	0	0	*
Total	0	0	0	0	0	0	0	

Restricted farm losses

Year of origin	Balance at Beginning of year	Loss Incurred in Current Year	Adjustments and Transfers <F1> for help	Loss Carried Back	Applied to Reduce: Taxable Income	Applied to Reduce: Part IV Tax	Balance at End of Year	
Current	N/A	0	0	0	N/A	N/A	0	
2001	0	N/A	0	N/A	0	N/A	0	
2001	0	N/A	0	N/A	0	N/A	0	
2000	0	N/A	0	N/A	0	N/A	0	
1999	0	N/A	0	N/A	0	N/A	0	
1998	0	N/A	0	N/A	0	N/A	0	
1997	0	N/A	0	N/A	0	N/A	0	
1996	0	N/A	0	N/A	0	N/A	0	
1995	0	N/A	0	N/A	0	N/A	0	
1994	0	N/A	0	N/A	0	N/A	0	
1993	0	N/A	0	N/A	0	N/A	0	*
Total	0	0	0	0	0	N/A	0	

*** This balance expires this year and will not be available next year**

Summary of Capital Cost Allowance

Is the corporation electing under regulation 1101(5q)? [101] N

Class No. [200]	UCC at Beginning of Year [201]	Cost of Additions During Year [203]	Adjustments [205]	Lesser of Cost or Proceeds [207]	1/2 of [203]-[207] [211]	Rate % [212]	Recapture of Capital Cost Allowance [213]	Terminal Loss [215]	Capital Cost Allowance [217]	Undepreciated Capital Cost end of year [220]
1	81,052,203	7,023,122	0	0	3,511,561	4	0	0	3,382,551	84,692,774
8	5,236,792	777,315	0	339,000	219,157	20	0	0	1,091,190	4,583,917
10	4,313,423	703,092	0	14,889	344,101	30	0	0	1,397,258	3,604,368
Total	90,602,418	8,503,529	0	353,889	4,074,819		0	0	5,870,999	92,881,059

Waterloo North Hydro Inc.
December 31, 2002

Pursuant to subsection 13(7.4) of the *Income Tax Act*, Waterloo Hydro North Inc. is electing to reduce the capital cost of additions to Class 1 by $2,164,038.

Account/Business No.: 865844575RC0001 Year Ended: 2002-12-31

RELATED AND ASSOCIATED CORPORATIONS

This schedule is to be completed by a corporation having one or more of the following:
- related corporation(s)
- associated corporation(s)

Name	Ctry of resi-dence	Business Number (Note)	Rela-tion-ship Code	Number of common shares owned	% of common shares owned	Number of preferred shares owned	% of pre-ferred shares owned	Book value of capital stock
[100]	[200]	[300]	[400]	[500]	[550]	[600]	[650]	[700]
Waterloo North Hydro Holding			1	0	0.00	0	0.00	0

Note: Enter "NR" if a corporation is not registered.

Relationship code:

1 - Parent 2 - Subsidiary 3 - Associated 4 - Related, but not associated

The relationship code represents the relationship that the corporation named has to the filing corporation. For example, if the corporation is the parent corporation of the filing corporation, then the relationship code is "1".

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

CONTINUITY OF RESERVES
(1998 and later taxation years)

- For use by corporations to provide a continuity of all reserves claimed which are allowed for tax purposes.
- References to parts, sections, subsections, paragraphs, and subparagraphs are from the federal "Income Tax Act".
- File one completed copy of this schedule with the corporation's "T2 Corporation Income Tax Return".
- For more information, see the "T2 Corporation Income Tax Guide".

Part 1 - Capital gains reserves

Description of property 001	Balance at the beginning of the year $ 002	Transfer on amalgamation or wind-up of subsidiary $ 003	Add $	Deduct $	Balance at the end of the year $ 004
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
Totals 008	0 009	0	0	0 010	0

The total capital gains reserve at the beginning of the taxation year plus the total capital gains reserve transfer on amalgamation or wind-up of subsidiary should be entered on line 880, and the total capital gains reserve at the end of the taxation year, should be entered on line 885 of Schedule 6.

Financial Statement Reserves (not deductible)

Description	Balance at the beginning of the year	Transfer on amalgamation or wind-up of subsidiary	Add	Deduct	Balance at the end of the year
Vested sick leave	357,668	0	0	112,403	245,265
Post employment benefits	2,303,711	0	161,457	0	2,465,168
Allowance for doubtful accts	100,000	0	0	0	100,000
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
Reserves From Section 2 below	0	0	0	0	0
Totals	2,761,379	0	161,457	112,403	2,810,433

The total opening balance plus the total transfers should be entered on line 414 of Schedule 1 as a deduction.
The total closing balance should be entered on line 126 of Schedule 1 as an addition.

Part 2 - Other reserves

Description	[X]		Balance at the beginning of the year		Transfer on amalgamation or wind-up of subsidiary	Add	Deduct		Balance at the end of the year
			$		$	$	$		$
Reserve for doubtful debts	[ ]	110	0	115	0	0	0	120	0
Reserve for undelivered goods and services not rendered	[ ]	130	0	135	0	0	0	140	0
Reserve for prepaid rent	[ ]	150	0	155	0	0	0	160	0
Reserve for December 31, 1995 income	[ ]	170	0	175	0	0	0	180	0
Reserve for refundable containers	[ ]	190	0	195	0	0	0	200	0
Reserve for unpaid amounts	[ ]	210	0	215	0	0	0	220	0
Other tax reserves	[ ]	230	0	235	0	0	0	240	0
Totals		270	0	275	0	0	0	280	0

Enter "X" in the column above if the tax reserve has also been reported on the corporation's financial statements. This allows offsetting entries on Schedule 1, resulting in a zero effect on net income for tax purposes.

The amount from line 270 plus the amount from line 275 should be entered on line 125 of Schedule 1 as an addition.

The amount from line 280 should be entered on line 413 of Schedule 1 as a deduction.

AGREEMENT AMONG ASSOCIATED CANADIAN-CONTROLLED PRIVATE CORPORATIONS (CCPC's) TO ALLOCATE THE BUSINESS LIMIT (1998 and later taxation years)

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to allocate the business limit for purposes of the small business deduction. Information from this schedule will be used to determine the date the balance of tax is due and to calculate the business limit reduction.

- An associated CCPC that has more than one taxation year ending in a calendar year, is required to file an agreement for each taxation year ending in that calendar year.

Column 1: Enter the legal name of each of the corporations in the associated group, including non-CCPCs and CCPCs that have filed an election under subsection 256(2) not to be associated for purposes of the small business deduction.

Column 2: Provide the Business Number for each corporation (if a corporation is not registered, enter "NR").

Column 3: Enter the code that applies to each corporation:

1 - associated for purposes of allocating the business limit (unless association code 5 applies)
2 - CCPC that is a "third corporation" that has elected under subsection 256(2) not to be associated for purposes of the small business deduction
3 - non-CCPC that is a "third corporation" as defined in subsection 256(2)
4 - associated non-CCPC
5 - associated CCPC that is not associated for purposes of allocating the business limit because of a subsection 256(2) election made by a "third corporation".

Column 4: Enter the amount allocated to each corporation that has an association code 1 in column 3. The total of all amounts in column 4 can not exceed $200,000.

Column 5: Complete column for a CCPC that has more than one taxation year ending in a calendar year, and is associated in more than one of those years with another CCPC that has a taxation year ending in the same calendar year. Enter the taxation year to which this agreement applies.

Column 6: Enter the gross Part I.3 tax of the prior year. This is used for the business limit reduction.

Allocation of business limit

		Year Month Day
Date filed (for departmental use only)	025	

		Year
Enter the calendar year to which the agreement applies	050	2002

Is this an amended agreement for the above-noted calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below?	075	[Y/N] [N]

1	2	3	4	4A	5	6
Names of associated corporations	Business Number of associated corporations	Asso-ciation code	Business limit allocated **(Note 1)**	Increased business limit **(Note 4)**	Taxation year end to which this agreement applies	Gross Part I.3 Tax of the prior year **(Notes 2 & 3)**
100	200	300	400		500	
Waterloo North Hydro Inc.	865844575RC0001	1	200,000	200,000		185,492
See attached			0	0		0
		Totals	200,000	200,000		185,492

Note 1:
Each corporation will enter the amount allocated to it in column 4 based on a repartition of $200,000 unless the corporation's taxation year is less than 51 weeks, in which case the amount allocated in column 4 must be prorated by the number of days in the taxation year divided by 365.

Note 2:
Reduction to the business limit under subsection 125(5.1)
The reduction to the business limit applies when any member of the associated group had gross Part I.3 tax payable (before the deduction of surtax credits) for its last taxation year ending in the preceding calendar year. The reduction is calculated in the small business deduction are of the T2 return.
The amount to be entered at line 415 of the T2 return, (large corporation tax for preceding year), includes the gross Part I.3 tax payable for each corporation that has an "association code" of 1 or 4 in column 3 for its last taxation year ending in the preceding calendar year.

Note 3:
If the taxation year of the associated corporation was less than 51 weeks, the amount of gross Part I.3 tax is the unprorated amount before the application of subsection 181.1(2).

Note 4:
For 2003, the limit is $225,000 and it will increase by $25,000 each year to reach $300,000 in 2006.
For the taxation years that overlap with the calendar year, the limit is established on a pro-rata basis using of the number of days of the taxation year that fall within the calendar year.

AGREEMENT AMONG ASSOCIATED CCPC's TO ALLOCATE THE BUSINESS LIMIT

1	2	3	4	4A	5	6
Name of associated corporation	Business Number of associated corporation	Asso-ciation code	Business limit allocated (Note 1)	Increased business limit (Note 3)	Taxation year end to which this agreement applies (Note 2)	Gross Part I.3 Tax of the prior year
[100]	[200]	[300]	[400]		[500]	
Waterloo North Hydro Holding		1	0	0		0
TOTALS			0	0		0

Note 1:
Each corporation will enter the amount allocated to it in column 4 based on a repartition of $200,000 unless the corporation's taxation year is less than 51 weeks, in which case the amount allocated in column 4 must be prorated by the number of days in the taxation year divided by 365.

Note 2:
Reduction to the business limit under subsection 125(5.1)
The reduction to the business limit applies when any member of the associated group had gross Part I.3 tax payable (before the deduction of surtax credits) for its last taxation year ending in the preceding calendar year. The reduction is calculated in the small business deduction are of the T2 return. The amount to be entered at line 415 of the T2 return, (large corporation tax for preceding year), includes the gross Part I.3 tax payable for each corporation that has an "association code" of 1 or 4 in column 3 for its last taxation year ending in the preceding calendar year.

Note 3:
For 2003, the limit is $225,000 and it will increase by $25,000 each year to reach $300,000 in 2006. For the taxation years that overlap with the calendar year, the limit is established on a prorata basis using of the number of days of the taxation year that fall within the calendar year.

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

PART I.3 TAX ON LARGE CORPORATIONS
(1998 and later taxation years)

- This schedule is for use by corporations (other than financial institutions and insurance corporations) that have Part I.3 tax payable before the deduction for surtax credits.
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the federal "Income Tax Act."
- Subsection 181(1) defines the terms "financial institution," "long-term debt," and "reserves."
- Subsection 181(3) provides the basis to determine the carrying value of a corporation's assets or any other amount under Part I.3 in respect of its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or in respect of a partnership in which it has an interest.
- No Part I.3 tax is payable for a taxation year by a corporation that was:
  1) a non-resident-owned investment corporation throughout the year;
  2) bankrupt [as defined by subsection 128(3)] at the end of the year;
  3) a deposit insurance corporation throughout the year, as defined by subsection 137.1(5), or deemed to be a deposit insurance corporation by subsection 137.1(5.1);
  4) exempt from tax under section 149 throughout the year on all of its taxable income;
  5) neither resident in Canada nor carried on a business through a permanent establishment in Canada at any time in the year; or
  6) a corporation described in subsection 136(2) throughout the year, the principal business of which was marketing (including processing incidental to or connected therewith) natural products belonging to or acquired from its members or customers.
- File the completed Schedule 33 with the "T2 Corporation Income Tax Return" within six months of the end of the taxation year.

		Year	Month	Day
Filing date (for departmental use only)	100			

Complete the following areas to determine the amounts needed to calculate Part I.3 tax. If the corporation was not resident in Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 5, "Taxable capital employed in Canada - Non-resident corporation."

Part 1 - Capital

Add the following amounts at the end of the year:

Reserves that have not been deducted in computing income for the year under Part I	101	2,810,433
Capital stock (or members' contributions if incorporated without share capital)	103	24,370,424
Retained earnings	104	7,553,330
Contributed surplus	105	0
Any other surpluses	106	0
Deferred unrealized foreign exchange gains	107	0
All loans and advances to the corporation	108	61,864,332
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, bankers' acceptances, or similar obligations	109	0
Any dividends declared but not paid by the corporation before the end of the year	110	0
All other indebtedness of the corporation (other than any indebtedness in respect of a lease) that has been outstanding for more than 365 days before the end of the year	111	1,194,209

Part 1 - Capital (cont'd)

Proportion of the amount, if any, by which the total of all amounts (that would be determined under lines 101, 107, 108, 109, 111 and 112) in respect of the partnership of which the corporation is a member at the end of the year exceeds the amount of the partnership's deferred unrealized foreign exchange losses (see note below)	112	0		
	Subtotal	97,792,728	97,792,728	A
Deduct the following amounts:				
Deferred tax debit balance at the end of the year	121	0		
Any deficit deducted in computing the shareholders' equity	122	0		
Any amount deducted under subsection 135(1) in computing income under Part I for the year, to the extent that the amount may reasonably be regarded as being included in any of lines 101 to 112 above	123	0		
The amount of deferred unrealized foreign exchange losses	124	0		
	Subtotal	0	0	B
Capital for the year (amount A minus amount B) (if negative, enter "0")	190		97,792,728	

Note: Lines 101, 107, 108, 109, 111, and 112 are determined as follows:

- Amounts owing to the member or to corporations that are other members of the partnership are not to be included.
- Amounts are determined as at the end of the last fiscal period of the partnership ending in the year of the corporation.
- Amounts at these lines apply to partnerships in the same way that they apply to corporations.
- The proportion of the total amounts is determined in accordance with the corporation's share of the partnership's income or loss for the fiscal period of the partnership.

Part 2 - Investment allowance

Add the carrying value at the end of the year of the following assets of the corporation:		
A share of another corporation	401	0
A loan or advance to another corporation (other than a financial institution)	402	0
A bond, debenture, note, mortgage, or similar obligation of another corporation (other than a financial institution)	403	0
Long-term debt of a financial institution	404	0
A dividend receivable on a share of the capital stock of another corporation	405	0
A loan or advance to, or a bond, debenture, note, mortgage or similar obligation of, a partnership all of the members of which, throughout the year, were other corporations (other than financial institutions) that were not exempt from tax under Part I.3 [other than by reason of paragraph 181.1(3)(d)]	406	0
An interest in a partnership	407	0
Investment allowance for the year	490	0

Note: Lines 401 to 405 should not include the carrying value of a share of the capital stock of, a dividend payable by, or indebtedness of, a corporation that is exempt from tax under Part I of the Act (other than by reason of paragraph 181.1(3)(d) of the Act).

Part 3 - Taxable capital

Capital for the year (line 190)		97,792,728	C
Deduct: Investment allowance for the year (line 490)		0	D
Taxable capital for the taxation year (amount C minus amount D) (if negative, enter "0")	500	97,792,728	

Part 4 - Taxable capital employed in Canada - Canadian resident corporation

To be completed by a corporation that was resident in Canada at any time in the year.

Taxable capital for the year (line 500)	97,792,728	X	Taxable income earned in Canada	610	2,164,893	=	Taxable capital employed in Canada	690	97,792,728
			Taxable income		2,164,893				

Notes: 1) Regulation 8601 gives details on calculating the amount of taxable income earned in Canada.
2) Where a corporation's taxable income for a taxation year is "0," it shall, for the purposes of the above calculation, be deemed to have a taxable income for that year of $1,000.
3) In the case of an airline corporation, Regulation 8601 should be considered when completing the above calculation.

Part 5 - Taxable capital employed in Canada - Non-resident corporation

To be completed by a corporation that was not resident in Canada throughout the year and carried on a business through a permanent establishment in Canada.

Total of all amounts which is the carrying value at the end of the year of an asset of the corporation used in the year or held in the year, in the course of carrying on any business it carried on during the year through a permanent establishment in Canada	701		0
Deduct the following amounts:			
Corporation's indebtedness at the end of the year [other than indebtedness described in any of paragraphs 181.2(3)(c) to (f)] that may reasonably be regarded as relating to a business it carried on during the year through a permanent establishment in Canada	711	0	
Total of all amounts each of which is the carrying value at the end of year of an asset described in subsection 181.2(4) of the corporation that it used in the year, or held in the year, in the course of carrying on any business it carried on during the year in Canada	712	0	
Total amount of carrying value at the end of year of an asset of the corporation that is a ship or aircraft the corporation operated in international traffic, or personal property used or held by the corporation in carrying on any business during the year in Canada	713	0	
Total deductions (add lines 711, 712, and 713)		0	0 E
Taxable capital employed in Canada (line 701 minus amount E) (if negative, enter "0")	790		0

Part 6 - Calculation of gross Part I.3 tax

Taxable capital employed in Canada for the year (line 690 or 790, whichever applies)			97,792,728
Deduct: Capital deduction claimed for the year (enter $10,000,000 or, for related corporations, the amount allocated on Schedule 36)	801		10,000,000
Excess of taxable capital employed in Canada over capital deduction	811		87,792,728

Gross Part I.3 tax: Line 811 87,792,728 x .2250% = 197,534 F

Where the taxation year of a corporation is less than 51 weeks, calculate the amount of tax payable as follows:

Amount F 197,534 x (Number of days in the year 365 / 365) = 0 G

Gross Part I.3 tax (amount F or G, whichever applies)	820	197,534

Part 7 - Calculation of current year surtax credits

- Corporations can claim a credit against their Part I.3 tax for the amount of Canadian surtax payable. This is called the surtax credit.
- Any unused surtax credit can be carried back three years or carried forward seven years. Unused surtax credits must be applied in order of the oldest first.
- Refer to subsection 181.1(7) of the Act when calculating the amount deductible in respect of a corporation's unused surtax credits where control of the corporation has been acquired between the year in which the credits arose and the year in which you want to claim them.

Current year surtax credit equals current year Canadian surtax payable.

Canadian surtax payable

For a corporation that was not resident in Canada throughout the year, the lesser of a and b, below:

a)	line 600 from the T2 return					0	
b)	line 700 from the T2 return				0	0	H

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

			line 690 of this schedule				
c)	line 600 from the T2 return	24,247 x	97,792,728	=	24,247		
			97,792,728				
			line 500 of this schedule				
d)	line 700 from the T2 return				565,470	24,247	I
Current year surtax credit (amount H or I, whichever applies)					830	24,247	

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

Amount on line 830		24,247	
Less: Part I.3 tax before deducting surtax credits (line 820)		197,534	J
	Net amount	-173,287	K
If the amount on line K is "positive," it represents the amount of Part I.3 tax credits that may be carried forward from taxation years prior to 1992 and applied this year to reduce Canadian surtax payable. Refer to Schedule 37 for unused Part I.3 tax credit balance		0	L
If the amount on line K is "negative," it represents the amount of unused surtax credit of other years that may be applied to reduce Part I.3 tax payable in the current year		173,287	M

Part 9 - Calculation of current year unused surtax credit

Amount K (if positive)		0
Less: Part I.3 tax credits claimed (carried forward from taxation years prior to 1992 - see amount L above)		0
Current year unused surtax credit (enter this amount on Schedule 37)	850	0

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

Gross Part I.3 tax (line 820)		197,534	N
Deduct the following amounts:			
Current year surtax credit applied (the lesser of lines 820 and 830)	861 24,247		
Unused surtax credit from prior years applied	862 0		
Total (cannot exceed amount on line 820)	24,247	24,247	O
Net Part I.3 tax payable (amount N minus amount O)			
Enter this amount at line 704 of the T2 return	870	173,287	

CT23 Line 111

Customer deposits		391,076.00
		0.00
Contributed Capital under construction		803,133.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
	Total	1,194,209.00

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

AGREEMENT AMONG RELATED CORPORATIONS - PART I.3 TAX
(1998 and later taxation years)

- Members of a related group of corporations should use this schedule to allocate the capital deduction of $10,000,000 among the members of the related group.
  Do not file this agreement if no members of the related group are liable to pay Part I.3 tax.

Are any members of the related group liable to pay Part I.3 tax? ..... [Y/N] [Y]

- In cases where a related corporation has more than one taxation year ending in a calendar year, it is required to file an agreement for each taxation year ending in that calendar year.

- A corporation that is related to any other corporation at any time in a taxation year of the corporation ending in a calendar year may file such an agreement.

- In accordance with subsection 181.5(7) of the federal "Income Tax Act", a Canadian-controlled private corporation is not considered to be related to another corporation for purposes of the capital deduction unless it is also associated with that corporation.

- Attach additional schedules if space for agreement is not sufficient.

Agreement

		Year Month Day
Date filed (for departmental use only)	010	
Is this an amended agreement?	020	[Y/N] [N]
Enter the calendar year to which the agreement applies	030	Year 2002

Note: This agreement must include all the information indicated below for all members of the related group, including members to which no amount of capital deduction is allocated for the year. However, any member which is exempt from Part I.3 tax under subsection 181.1(3) is not required to be included.

Names of all corporations which are members of the related group	Business Number **(Note 1)**	Allocation of capital deduction for the year $	Taxation year end to which this agreement applies **(Note 2)**
200	300	400	500
Waterloo North Hydro Inc.	865844575RC0001	10,000,000	
See attached		0	
Total (not to exceed $10,000,000)		10,000,000	

Note 1: If a corporation is not registered enter, "NR".

Note 2: An entry is only required for a corporation that has more than one taxation year ending in the same calendar year and is related in two or more of those taxation years to another corporation that has a taxation year ending in that calendar year. The capital deduction of the first corporation for each such taxation year at the end of which it is related to the other corporation is an amount equal to its capital deduction for the first such taxation year. Enter the taxation year end to which this agreement applies.

AGREEMENT AMONG RELATED CORPORATIONS - PART I.3 TAX

- Members of a related group of corporations should use this schedule to allocate the capital deduction of $10,000,000 among the members of the related group.
- In accordance with subsection 181.5(7) of the federal Income Tax Act, a Canadian-controlled private corporation is not considered to be related to another corporation for purposes of the capital deduction unless it is also associated with that corporation.

Names of all corporations which are members of the related group [200]	Business Number (Note 1) [300]	Allocation of capital deduction for the year [400]	Taxation year end to which this agreement applies (Note 2) [500]
Waterloo North Hydro Holding		0	
TOTAL		0	

Note 1: If a corporation is not registered, enter "NR".

Note 2: An entry is only required for a corporation that has more than one taxation ending in the same calendar year and is related in two or more of those taxation years to another corporation that has a taxation year ending in that calendar year. The capital deduction of the first corporation for each such taxation year at the end of which it is related to the other corporation is an amount equal to its capital deduction for the first such taxation year. Enter the taxation year end to which this agreement applies.

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

SHAREHOLDER INFORMATION
(1998 and later taxation years)

All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

Name of shareholder	Business Number (note 1)	Social Insurance Number (note 2)	Percentage common shares	Percentage preferred shares
100	200	300	400	500
Waterloo North Hydro Holding Corporation			100.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00

Note 1: If a corporate shareholder does not have a business number, NR must be entered to indicate the corporation is not registered.

Note 2: If an individual shareholder does not have a social insurance number, NA must be entered to indicate the SIN is not available.

Note 3: If a trust holds 10% or more of the corporation's common or preferred shares, enter "NR" for the business number and, if space permits, enter the trust's name and account number. Do not enter anything in the "SIN" column.

Schedule of Instalment Remittances

Name of Corporation Contact: . . . . . Duc Le Albert Singh
Telephone Number: 519-886-5090

Effective Interest Date	Description (Instalment Remittance, Split Payment, Assessed Credit)		Amount of Credit
	PILs payment		738,757
			0
			0
			0
			0
			0
			0
			0
			0
			0
			0
			0
	Total amount of instalments claimed	(A)	738,757
	Total instalments credited to the taxation year per T9	(B)	738,757

TRANSFER

Account Number	Taxation Year End	Amount	Effective Interest Date	Description
From:				
		0		
To:				

Ontario

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

2002 CT23 Corporations Tax and Annual Return

For taxation years commencing after May 1, 2000

Corporations Tax Act - Ministry of Finance (MOF)
Corporations Information Act - Ministry of Consumer and Business Services (MCBS)
(formerly Ministry of Consumer and Commercial Relations)

This return is a combination of the Ministry of Finance (MOF) CT23 Corporations Tax Return and the Ministry of Consumer and Business Services (MCBS) Annual Return. Page 1 is a common page required for both returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the **Exempt from Filing (EFF)** declaration on page 2 or file the **CT23 Return** on pages 3-18, together with the applicable schedules on pages 19-22. **Corporations that do not meet the EFF criteria but do meet the Short-Form criteria, may request and file the CT23 Short-Form Return** (see page 2).

The **Annual Return** (common page 1 and MCBS Schedules A or K on pages 23 and 24) contains non-tax information collected under the authority of the *Corporations Information Act* for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

Ministry Use

MCBS Annual Return Required? *(Not required if already filed or Annual Return exempt, Refer to Guide)* [X] Yes [ ] No **Page 1 of 24**

Corporation's Legal Name *(including punctuation)* and Mailing Address

Waterloo North Hydro Inc. PILS RETURN

CLIENT COPY

300 Northfield Drive East
Box 640
Waterloo
ON CA N2J-4A3

Ontario Corporations Tax Account No. (MOF)
1404168

This CT23 Return covers the Taxation Year

Start: year month day 2002-01-01

End: year month day 2002-12-31

Has the mailing address changed since last filed CT23 Return? Yes [ ]

Date of Change: year month day

Date of Incorporation or Amalgamation: year month day 2000-03-01

Registered/Head Office Address

300 Northfield Drive East
Box 640
Waterloo
ON CA N2J-4A3

Ontario Corporation No. (MCBS): 1404168

Location of Books and Records

300 Northfield Drive East
Box 640
Waterloo
ON CA N2J-4A3

Canada Customs and Revenue Agency (formerly Revenue Canada) Business No.
If applicable, enter: 865844575RC0001

Name of person to contact regarding this CT23 Return	Telephone No.	Fax No.
Albert Singh	519-886-5090	519-886-8592

Jurisdiction Incorporated: Ontario

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

ON CA -

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

Commenced: year month day

Ceased: year month day

(Not Applicable) [X]

Former Corporation Name *(Extra-Provincial Corporations only)* ***(Not Applicable)*** [X] (MCBS)

Information on Directors/Officers/Administrators must be completed on MCBS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS).

No. of Schedule(s): 0

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

[ ] **No change**

Preferred Language/*Langue de préférence*

English *anglais* [X] French *français* [ ]

Ministry use

Certification (MCBS)

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

Name of Authorized Person *(Print clearly or type in full)*

Albert Singh

Title: D [ ] Director O [X] Officer P [ ] Other individual having knowledge of the affairs of the Corporation

Note: Sections 13 and 14 of the *Corporations Information Act* provide penalties for making false or misleading statements or omissions.

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Waterloo North Hydro Inc. PILS RETURN	1404168	2002-12-31

CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

Type of Corporation – Please "X" box(es) if applicable in sections 1 & 2

1 1 [X] Canadian-controlled Private (CCPC) all year (Generally a private corporation of which 50% or more shares are owned by Canadian residents.) (fed.s.125(7)(b))

2 [ ] Other Private

3 [ ] Public

4 [ ] Non-share Capital

5 [ ] Other (specify)

Share Capital with full voting rights owned by Canadian Residents (nearest percent) 100%

Ontario Retail Sales Tax Vendor Permit No. (Use Head Office no.)
if applicable, enter 90815548

Ontario Employer Health Tax Account No. (Use Head Office no.)
if applicable, enter 101282339

Specify major business activity

Sale of electricity

2 1 [ ] Family Farm Corporation s.1 (2)

2 [ ] Family Fishing Corporation s.1 (2)

3 [ ] Mortgage Investment Corporation s.47

4 [ ] Credit Union s.51

5 [ ] Bank Mortgage Subsidiary s.61 (4)

6 [ ] Bank s.1 (2)

7 [ ] Loan and Trust Corporation s.61 (4)

8 [ ] Non-resident Corporation s.2(2)(a) or (b)

9 [ ] Non-resident Corporation s.2(2)(c)

10 [ ] Mutual Fund Corporation s.48

11 [ ] Non-resident owned investment Corporation s.49

12 [ ] Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b)

14 [ ] Bare Trustee Corporation

15 [ ] Branch of Non-residents s.63(1)

16 [ ] Financial institution prescribed by Regulation only

17 [ ] Investment Dealer

18 [ ] Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale

19 [X] Hydro successor, Municipal Electrical Utility or subsidiary of either

20 [ ] Producer and seller of steam for uses other than for the generation of electricity

21 [ ] Insurance Exchange s.74.4

22 [ ] Farm Feeder Finance Co-operative Corporation

23 [ ] Professional Corporation (incorporated professionals only)

Please "X" box(es) if applicable:

[ ] First Year of Filing

[ ] Amended Return

[ ] Taxation Year End has changed - Canada Customs and Revenue Agency (formerly Revenue Canada) approval required

[ ] Final Taxation Year up to Dissolution (wind-up)

[ ] Final Taxation Year before Amalgamation

[ ] Floating Fiscal Year End

[ ] Transfer or Receipt of Asset(s) involving a corporation having a Canadian permanent establishment outside Ontario

[ ] Acquisition of Control fed s.249(4)

Date Control was acquired
year month day

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

Income Tax

Allocation – If you carry on a business through a permanent establishment in a jurisdiction outside Ontario, you may allocate that portion of taxable income deemed earned in that jurisdiction, to that jurisdiction (s.39) (Inter. Bulletin 2617). Attach a schedule (or a copy of federal T2 SCH 5) showing allocation of gross revenue, salaries and wages, including applicable percentages.

Net Income (loss) for Ontario purposes (per reconciliation schedule, page 16)	±	From 690	4,788,974.		
Subtract: Charitable donations	–	1	0.		
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property *(Attach schedule)*	–	2	0.		
Subtract: Taxable dividends deductible, per federal T2 SCH 3	–	3	0.		
Subtract: Ontario political contributions *(Attach schedule)*	–	4	0.		
Subtract: Federal Part VI.1 tax 0. X 9/4	–	5	0.		
Subtract: Prior years' losses applied – Non-capital losses	–	From 704	2,624,081.		
Net capital losses From 715 (page 17) 0. X inclusion rate 50.000000% =	–	714	0.		
Farm losses	–	From 724	0.		
Restricted farm losses	–	From 734	0.		
Limited partnership losses	–	From 754	0.		
Taxable Income (Non-capital loss)	=	10	2,164,893.		
Addition to taxable income for unused foreign tax deduction for federal purposes	+	11	0.		
Adjusted Taxable Income 10 + 11 (if 10 is negative, enter 11)	=	20	2,164,893.		

Taxable Income

Number of Days in Taxation Year

From 10 (or 20 if applicable)	2,164,893.	x 30	100.0000% Ontario Allocation	x 15.5000%	x	Days before May 2, 2000: 22	0	÷ 73	Total Days 365	= +	23	0.
From 10 (or 20 if applicable)	2,164,893.	x 30	100.0000% Ontario Allocation	x 14.5000%	x	Days after May 1, 2000 and before Jan 1, 2001: 24	0	÷ 73	Total Days 365	= +	25	0.
From 10 (or 20 if applicable)	2,164,893.	x 30	100.0000% Ontario Allocation	x 14.0000%	x	Days after Dec 31, 2000 and before Oct 1, 2001: 26	0	÷ 73	Total Days 365	= +	27	0.
From 10 (or 20 if applicable)	2,164,893.	x 30	100.0000% Ontario Allocation	x 12.5000%	x	Days after Sept 30, 2001 and before Jan 1, 2003: 28	365	÷ 73	Total Days 365	= +	29	270,612.
From 10 (or 20 if applicable)	2,164,893.	x 30	100.0000% Ontario Allocation	x 12.5000%	x	Days after Dec 31, 2002 and before Jan 1, 2004: 31	0	÷ 73	Total Days 365	= +	32	0.

Income Tax Payable (before deduction of tax credits) 23 + 25 + 27 + 29 + 32 = 40 270,612.

Incentive Deduction for Small Business Corporations (IDSBC) (s.41)

(If this section is not completed, the IDSBC will be denied.)

Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(5.1) not been applicable in the taxation year? (X) [X] Yes [ ] No

Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a))				50	4,788,974.
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	+	51	2,164,893.		
Add: Losses of other years deducted for federal purposes (fed.s.111)	+	52	2,624,081.		
Subtract: Losses of other years deducted for Ontario purposes (s.34)	–	53	2,624,081.		
Federal Business limit for the year before the application of fed.s.125(5.1)	=		2,164,893.	54	2,164,893.
(not exceeding $ 200,000) *(Attach federal T2 SCH 23 if associated)*	+	55	200,000.		
Add: Ontario enhancement of federal business limit					

Number of Days in Taxation Year

40,000 x	Days after Dec 31, 2000 and before Oct 1, 2001: 0 ÷ 73 Total Days 365				
X From 55	200,000 ÷ 200,000	=+	42	0.	
80,000 x	Days after Sept 30, 2001 and before Jan 1, 2003: 365 ÷ 73 Total Days 365				
X From 55	200,000 ÷ 200,000	=+	43	80,000.	
120,000 x	Days after Dec 31, 2002 and before Jan 1, 2004: 0 ÷ 73 Total Days 365				
X From 55	200,000 ÷ 200,000	=+	46	0.	

Ontario enhancement of federal business limit	42 + 43 + 46	=	80,000.	+ 44	80,000.		
Business Limit for Ontario purposes	55 + 44	=	280,000.	45	280,000.		
Income eligible for the IDSBC	From 30	100.0000% * Ontario Allocation	x	56	280,000.	= 60	280,000.

Least of 50, 54 or 45

* **Note:** *Ontario Allocation for IDSBC purposes may differ from* 30 *if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).*

continued on Page 5

Income Tax *continued from Page 4*

Calculation of IDSBC Rate

Number of Days in Taxation Year

.....	7.00 %	x	Days after Dec 31, 1998 and before Jan 1, 2000: 74	0	÷ 73	Total Days: 365	= +	75	.0000.
.....	7.50 %	x	Days after Dec 31, 1999 and before Oct 1, 2001: 76	0	÷ 73	Total Days: 365	= +	77	.0000.
.....	6.50 %	x	Days after Sept 30, 2001 and before Jan 1, 2003: 28	365	÷ 73	Total Days: 365	= +	79	6.5000.
.....	7.00 %	x	Days after Dec 31, 2002 and before Jan 1, 2004: 31	0	÷ 73	Total Days: 365	= +	89	.0000.

IDSBC Rate for Taxation Year 75 + 77 + 79 + 89 ..... = 78 6.5000.

Claim ..... From 60 280,000. x From 78 6.5000 % ..... = 70 18,200.

Corporations claiming the IDSBC must complete the Surtax section below if the corporation's taxable income (or if associated, the associated group's taxable income) is greater than the amount in 114 below.

Surtax on Canadian-controlled private corporations (s.41.1)

Applies if you have claimed the Incentive Deduction for Small Business Corporations.

** **Short Taxation Years** - Special rules apply where the taxation year is less than 51 weeks for the corporation and/or any corporation associated with it.
Associated Corporation - The taxable income of associated corporations is the taxable income for the taxation year ending on or before the date of this corporation's taxation year end.

** **Taxable Income of the corporation** ..... From 10 (or 20 if applicable) + 80 2,164,893.

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

Name of associated corporation (Canadian & foreign) *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End		Taxable Income (if loss, enter nil) **
See attached			+ 82	0.
			+ 83	.
			+ 84	.

Aggregate Taxable Income 80 + 82 + 83 + 84 , etc. ..... = 85 2,164,893.

Number of Days in Taxation Year

Subtract: 200,000	x	Days before Jan 1, 2001: 558	0	÷ 73	Total Days: 365	= +	111	0.		
240,000	x	Days after Dec 31, 2000 and before Oct 1, 2001: 26	0	÷ 73	Total Days: 365	= +	112	0.		
280,000	x	Days after Sept 30, 2001 and before Jan 1, 2003: 28	365	÷ 73	Total Days: 365	= +	113	280,000.		
320,000	x	Days after Dec 31, 2002 and before Jan 1, 2004: 31	0	÷ 73	Total Days: 365	= +	115	0.		
							111 + 112 + 113 + 115 =	280,000.	- 114	280,000.

(If negative, enter nil) ..... = 86 1,884,893.

Number of Days in Taxation Year

Calculation of Specified Rate for Surtax	4.67 %	x	Days after Dec 31, 1998 and before Jan 1, 2000: 74	0	÷ 73	Total Days: 365	= +	92	.0000
.....	5.00 %	x	Days after Dec. 31, 1999 and before Oct 1, 2001: 76	0	÷ 73	Total Days: 365	= +	93	.0000
.....	4.3330 %	x	Days after Sept 30, 2001 and before Jan 1, 2003: 28	365	÷ 73	Total Days: 365	= +	95	4.3330
.....	4.6670 %	x	Days after Dec 31, 2002 and before Jan 1, 2004: 31	0	÷ 73	Total Days: 365	= +	96	.0000

Specified rate of surtax for Taxation Year 92 + 93 + 95 + 96 ..... = 94 4.3330

From 86 1,884,893. x From 94 4.3330 % ..... = 87 81,672.

From 87 81,672. x From 60 280,000. ÷ From 114 280,000. = 88 81,672.

Surtax Lesser of 70 or 88 ..... = 100 18,200

Continued on Page 6

Income Tax *continued from Page 5*

Additional Deduction for Credit Unions (s.51(4)) *(Attach schedule)* ..... 110 0.

Manufacturing and Processing Profits Credit (M&P) (s.43)

Applies to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined by regulations.

Eligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, after deducting depletion and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If you are claiming this credit, attach a copy of the federal T2 SCH 27 including necessary changes for Ontario tax purposes (e.g. different C.C.A. claimed).

The whole of the active business income qualifies as Eligible Canadian Profits if: a) your active business income from sources other than manufacturing and processing, mining, farming, logging or fishing is 20% or less of the total active business income and b) the total active business income is $250,000 or less.

Eligible Canadian Profits			+		120 0.
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)			−	From 56	280,000.
Add: Adjustment for Surtax on Canadian-controlled private corporations					
From 100 18,200. ÷ From 30 100.0000 % * Ontario Allocation ÷ From 78 6.5000 % = 121 280,000.					
Lesser of 56 or 121			+		122 280,000.
120 − 56 + 122			=		130 0.
Taxable Income			+	From 10	2,164,893.
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)			−	From 56	280,000.
Add: Adjustments for Surtax on Canadian-controlled private corporations			+	From 122	280,000.
Subtract: Taxable Income From 10 2,164,893. X Allocation % to jurisdictions outside Canada .0000 %			−		140 0.
Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses			−		141 0.
10 − 56 + 122 − 140 − 141			=		142 2,164,893.

Number of Days in Taxation Year

Claim

143 0. X From 30 100.0000 % * Ontario Allocation X 2.0000 % X (Days before Oct 1, 2001: 152 0 ÷ Total Days 73 365) = + 153 0.
Lesser of 130 or 142

143 0. X From 30 100.0000 % * Ontario Allocation X 1.5000 % X (Days after Sept 30, 2001 and before Jan 1, 2003: 28 0 ÷ Total Days 73 365) = + 154 0.
Lesser of 130 or 142

143 0. X From 30 100.0000 % * Ontario Allocation X 1.5000 % X (Days after Dec 31, 2002 and before Jan 1, 2004: 31 0 ÷ Total Days 73 365) = + 155 0.
Lesser of 130 or 142

M&P claim for taxation year 153 + 154 + 155 ..... = 160 0.

* **Note:** *Ontario Allocation for M&P Credit purposes may differ from* 30 *if Taxable Income is allocated to foreign jurisdictions. See special rules (s.43(1))*

Manufacturing and Processing Profits Credit for Electrical Generating Corporations ..... = 161 0.

Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity ..... = 162 0.

Credit for Foreign Taxes Paid (s.40)

Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Info. Bulletins 15-79 & 2739) *(Attach schedule)*. 170 0.

Credit for Investment in Small Business Development Corporations (SBDC)

Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former Small Business Development Corporations Act)

Eligible Credit 175 0. Credit Claimed 180 0.

Subtotal of Income Tax 40 − 70 + 100 − 110 − 160 − 161 − 162 − 170 − 180 ..... = 190 270,612.

continued on Page 7

Income Tax *continued from Page 6*

Specified Tax Credits *(Refer to Guide)*

Ontario Innovation Tax Credit (OITC) (s.43.3) ***Applies*** to research and development in Ontario.
Eligible Credit From 5620 OITC Claim Form *(Attach original Claim Form)* . . . . . + 191 0.

Co-operative Education Tax Credit (CETC) (s.43.4) ***Applies*** to employment of eligible students.
Eligible Credit From 5798 Summary Schedule F . . . . . + 192 0.

Ontario Film & Television Tax Credit (OFTTC) (s.43.5)
Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television productions.
Eligible Credit From 5899 Claim Form Certified by Ontario Film Development Corporation
*(Retain original Claim Form. Do **not** submit the Claim Form with the CT23 Tax Return.)* . . . . . + 193 0.

Graduate Transitions Tax Credit (GTTC) (s.43.6) No. of Graduates From 6596
Applies to employment of eligible unemployed graduate students. 194 0
Eligible Credit From 6598 Summary Schedule G . . . . . + 195 0.

Ontario Book Publishing Tax Credit (OBPTC) (s 43.7)
Applies to qualifying expenditures in respect of eligible literary works by first-time Canadian authors.
Eligible Credit From 6900 OBPTC Claim Form *(Attach **only** the original Claim Form. Retain the Certification Form)* . . . . . + 196 0.

Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8)
Applies to labour relating to computer animation and special effects on an eligible production.
Eligible Credit From 6700 Claim Form Certified by Ontario Film Development Corporation
*(Retain original Claim Form. Do **not** submit the Claim Form with the CT23 Tax Return.)* . . . . . + 197 0.

Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9)
Applies to qualifying R&D expenditures under an eligible research institute contract.
Eligible Credit From 7100 OBRITC Claim Form *(Attach original Claim Form)* . . . . . + 198 0.

Ontario Production Services Tax Credit (OPSTC) (s.43.10)
Applies to qualifying Ontario labour expenditures for eligible non-Canadian content film and television productions.
Eligible Credit From 7300 Claim Form certified by Ontario Film Development Corporation
*(Retain original Claim Form. Do **not** submit the Claim Form with the CT23 Tax Return.)* . . . . . + 199 0.

Ontario Interactive Digital Media Tax Credit (OIDMTC) (s.43.11)
Applies to qualifying labour expenditures of eligible products for the taxation year.
Eligible Credit From 7400 Claim Form certified by Ontario Film Development Corporation
*(Retain original Claim Form. Do **not** submit the Claim Form with the CT23 Tax Return.)* . . . . . + 200 0.

Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)
Applies to qualifying expenditures in respect of eligible Canadian sound recordings.
Eligible Credit From 7500 OSRTC Claim Form *(Attach **only** the original Claim Form. Retain the Certification Form)* . . . . . + 201 0.

Other (specify) _____ . . . . . + 201.1 0.

Total Specified Tax Credits 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201 + 201.1 = 220 0.

Specified Tax Credits ***Applied to reduce Income Tax*** . . . . . = 225 0.

Income Tax 190 – 225 **OR Enter NIL if reporting Non-Capital Loss** . . . . . = 230 270,612.

To determine if the Corporate Minimum Tax (CMT) is applicable to your Corporation, see ***Determination of Applicability*** section for the CMT on ***Page 8***. If CMT is not applicable, transfer amount in 230 to Income Tax in ***Summary*** section on ***Page 18.***

OR

If CMT is not applicable for the current taxation year but your corporation has CMT Credit Carryovers that you want to apply to reduce income tax otherwise payable, then proceed to and complete the ***Application of CMT Credit Carryovers*** section part B, on ***Page 8.***

Corporate Minimum Tax (CMT)

Determination of Applicability

Applies if ***either*** Total Assets [249] exceeds $5,000,000 ***or*** Total Revenue [250] exceeds $10,000,000.

* These amounts include the corporation's and associated corporations' share of any partnership(s)/joint venture(s) total assets and total revenue.

Short Taxation Years - Special rules apply for determining total revenue where the taxation year of the corporation or any associated corporation or any fiscal period of any partnership(s)/joint venture(s) of which the corporation or associated corporation is a member, is less than 51 weeks.

Associated Corporation - The total assets or total revenue of associated corporations is the total assets or total revenue for the taxation year ending on or before the date of the claiming corporation's taxation year end.

*** Total Assets of the corporation**	+ [240]	111,146,734.	
*** Total Revenue of the corporation**		+ [241]	114,345,169.

If you are a member of an associated group (x) [242] X (Yes)

Name of associated corporation (Canadian & foreign) *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	* Total assets	* Total Revenue
See attached			+ [243] 97,940,168.	+ [244] 5,818,778.
			+ [245] .	+ [246] .
			+ [247] .	+ [248] .

Aggregate Total Assets	[240] + [243] + [245] + [247] , etc.	= [249]	209,086,902.
Aggregate Total Revenue	[241] + [244] + [246] + [248] , etc.	= [250]	120,163,947.

If CMT is applicable to current taxation year, complete section ***Calculation: CMT*** below and ***Corporate Minimum Tax Schedules A through E on Pages 19, 20 and 21 of CT23.***

Calculation: CMT *(Attach Schedule A: Calculation of CMT Base on Page 19.)*

Gross CMT Payable	CMT Base From [2135] 2,943,618. (If negative, enter zero)	X From [30] 100.0000% (Ontario Allocation)	X 4%	= [276]		117,745.
Subtract: Foreign Tax Credit for CMT purposes *(Attach schedule)*				- [277]		0.
Subtract: Income Tax				- From [190]		270,612.
Net CMT Payable (If negative, enter Nil on Page 18.)				= [280]		0.

If [280] is less than zero and you do not have a CMT credit carryover, transfer [230] from ***Page 7*** to ***Income tax Summary, on Page 18.***

If [280] is less than zero and you have a CMT credit carryover, complete A & B below.

If [280] is greater than or equal to zero, transfer [230] to ***Page 18*** and transfer [280] to ***Page 18,*** **and** to ***Schedule D: Continuity of CMT Credit Carryovers,*** on ***Page 21.***

CMT Credit Carryover available From [2307] 0.

Application of CMT Credit Carryovers

A. Income Tax (before deduction of specified credits)			+ From [190]		270,612.
Gross CMT Payable	+ From [276]	117,745.			
Subtract: Foreign Tax Credit for CMT purposes	- From [277]	0.			
If [276] - [277] is negative, enter NIL in [290]	=	117,745.	- [290]		117,745.
Income Tax eligible for CMT Credit			= [300]		152,867.
B. Income tax (after deduction of specified credits)			+ From [230]		270,612.
Subtract: CMT credit used to reduce income taxes			- [310]		0.
Income Tax			= [320]		270,612.

Transfer to page 18

If A & B apply, [310] ***cannot exceed the lesser of*** [230], [300] ***and your CMT credit carryover available*** [2307].

If only B applies, [310] ***cannot exceed the lesser of*** [230] ***and your CMT credit carryover available*** [2307].

Capital Tax *(Refer to Guide)*

If your corporation is a Financial Institution (s.58(2)), proceed to page 14.

If your corporation is not a member of an associated group and/or partnership and (1) the Gross Revenue and Total Assets as calculated on Page 10 in 480 and 430 are both $1,000,000 or less and the taxation year ends on or after January 1, 2000, or (2) the Gross Revenue and Total Assets as calculated on Page 10 in 480 and 430 are both $1,500,000 or less and the taxation year ends on or after January 1, 2001, it is exempt from Capital Tax for the taxation year. A corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in 550 on Page 13 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.

Members of a partnership (limited or general) or a joint venture, must attach all financial statements of each partnership. The Paid-up Capital of each corporate partner must include its share of liabilities that would otherwise be included if the partnership were a corporation. If Investment Allowance is claimed, Total Assets must be adjusted by adding the corporation's share of the partnership's Total Assets and by deducting investments in the partnership as it appears on the corporation's balance sheet, in addition to any other required adjustments (s.61(5)). Special rules apply to limited partnerships (Inf.B.15-79, Int.B.L-12 and Int.B.L-16)

Any Assets and liabilities of a corporation that are being utilized in a joint venture must be included along with the corporation's other Assets and liabilities when calculating its Taxable Paid-up Capital.

Special rules and rates apply to Non-Resident corporations (s.63, s.64 and s.69(3)).

Paid-up Capital of Non-resident: Paid-up capital employed in Canada of a non-resident subject to tax by virtue of s.2(a) or (b), and whose **business is not carried on solely in Canada** is deemed to be the **greater** of (1) taxable Income in Canada divided by 8 percent or (2) total assets in Canada minus certain indebtedness in accordance with the provisions of s.63(1)(a).

Paid-up Capital

Paid-up capital stock	+ 350	24,370,424.
Retained earnings (if deficit, deduct)	± 351	7,553,330.
Capital and other surpluses, excluding appraisal surplus (Inf.B.30-83)	+ 352	0.
Loans and advances *(Attach schedule)*	+ 353	62,255,408.
Bank loans	+ 354	0.
Bankers acceptances	+ 355	0.
Bonds and debentures payable	+ 356	0.
Mortgages payable	+ 357	0.
Lien notes payable	+ 358	0.
Deferred credits (including income tax reserves, and deferred revenue where it would also be included in paid-up capital for the purposes of the large corporations tax)	+ 359	0.
Contingent, investment, inventory and similar reserves	+ 360	2,810,433.
Other reserves not allowed as deductions for income tax purposes *(Attach schedule)*	+ 361	0.
Share of partnership(s) or joint venture(s) paid-up capital *(Attach schedule(s))*	+ 362	0.
Subtotal	= 370	96,989,595.
Subtract: Amounts deducted for income tax purposes in excess of amounts booked *(Retain calculations. Do not submit.)*	− 371	-10,339,686.
Deductible R & D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes	− 372	0.
Total Paid-up Capital	= 380	107,329,281.
Subtract: Deferred mining exploration and development expenses (s.62(1)(d))	− 381	0.
Net Paid-up Capital	= 390	107,329,281.

Eligible Investments *(Refer to Guide)*

Attach computations and list of corporations' names and investment amounts. Short-term investments (bankers acceptances, commercial paper, term deposits, etc.) are eligible for the allowance only if issued for a term of and held for 120 days or more prior to the year end of the investor corporation.

Term deposits and investment certificates in foreign financial institutions for taxation years ending prior to December 15, 1999 *(Refer to Guide)*	+ 400	0.
Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)	+ 402	0.
Mortgages due from other corporations	+ 403	0.
Shares in other corporations (certain restrictions apply) *(Refer to Guide)*	+ 404	0.
Loans and advances to unrelated corporations	+ 405	0.
Eligible loans and advances to related corporations (certain restrictions apply) *(Refer to Guide)*	+ 406	0.
Share of partnership(s) or joint venture(s) eligible investments *(Attach schedule)*	+ 407	0.
Total Eligible Investments	= 410	0.

continued on Page 10

Waterloo North Hydro Inc.
CT23 Line 353

Long term debt		61,864,332.00
Customer deposits		391,076.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
	Total	62,255,408.00

Waterloo North Hydro Inc.
CT23 Line 371

NBV per f/s		82,541,373.00
Less: UCC per Sch.8		-92,881,059.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
	Total	-10,339,686.00

Capital Tax *continued from Page 9*

Total Assets

Total Assets per balance sheet	+	420	111,146,734.
Mortgages or other liabilities deducted from assets	+	421	0.
Share of partnership(s)/joint venture(s) total assets *(Attach schedule)*	+	422	0.
Subtract: Investment in partnership(s)/joint venture(s)	-	423	0.
Total Assets as adjusted	=	430	111,146,734.
Amounts in 360 and 361 (if deducted from assets)	+	440	0.
Subtract: Amounts in 371, 372 and 381	-	441	-10,339,686.
Subtract: Appraisal surplus if booked	-	442	0.
Add or Subtract: Other adjustments (specify on an attached schedule)	±	443	0.
Total Assets	=	450	121,486,420.

Investment Allowance (410 ÷ 450) x 390 ..... Not to exceed 410	=	460	0.
Taxable Capital 390 - 460	=	470	107,329,281.

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)	480	114,345,169.
Total Assets (as adjusted) From	430	111,146,734.

Calculation of Capital Tax for all corporations except Financial Institutions

Note: This version (2002) of the CT23 may only be used for a taxation year that commenced on or after May 5, 1999.

(Financial Institutions use calculations on page 14.)

Important: **If the corporation is a family farm corporation, family fishing corporation or a credit union that is not a Financial Institution, complete only Section A below.**

OR **If the corporation is NOT a member of an associated group and/or partnership, review only the capital tax calculations in Section B and select and complete the one specific subsection (e.g. B4) that applies to the corporation.**

OR **If the corporation IS a member of an associated group and/or partnership, complete Section C. Next review, and if applicable, complete Section D. If Section D is not applicable review Section E and complete the applicable subsection: either E1 or E2. Note: if the corporation is a member of a connected partnership, please refer to the guide for additional instructions before completing the capital tax section.**

SECTION A

This section applies only if the corporation is a family farm corporation, a family fishing corporation or a credit union that is not a Financial Institution.

Enter NIL in 550 on page 13 and complete the return from that point.

SECTION B

This section applies if the corporation is NOT a member of an associated group and/or partnership.

B1. If the taxation year end is before January 1, 2001 and 430 and 480 are both $1,000,000 or less, enter NIL in 550 on page 13 and complete the return from that point.

B2. If the taxation year end is after December 31, 2000 and 430 and 480 are both $1,500,000 or less, enter NIL in 550 on page 13 and complete the return from that point.

B3. If the taxation year commences after September 30, 2001 and 430 and 480 on page 10 are both $3,000,000 or less, enter NIL in 550 on page 13 and complete the return from that point.

B4. If taxable capital, 470 on page 10 is $2,000,000 or less, enter NIL in 550 on page 13 and complete the return from that point.

continued on Page 11

Capital Tax Calculation *continued from page 10*

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

Calculation: Portion of Capital Tax relating to the days in the taxation year after May 4, 1999 and before January 1, 2000

(a) From 470 0. X .3000% = + 490 0.

Deduct:

[$2,400,000 – From 470 0.] X 1.5% = – 492 0.

If 2,400,000 – 470 is negative, enter NIL in 492

(504 = 490 – 492) = 504 0. X From 30 Ontario Allocation 100.0000% X Days in taxation year after May 4, 1999 and before Jan 1, 2000 552 0 / ** 365 (366 if leap year) = + 505 0.

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

(b) From 470 0. X .3000% = + 490 0.

Deduct:

[$2,800,000 – From 470 0.] X 0.75% = – 493 0.

If 2,800,000 – 470 is negative, enter NIL in 493

(506 = 490 – 493) = 506 0. X From 30 Ontario Allocation 100.0000% X Days in taxation year after Dec 31, 1999 and before Jan 1, 2001 553 0 / ** 365 (366 if leap year) = + 507 0.

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

(c) From 470 0. X .3000% = + 490 0.

Deduct:

[$3,200,000 – From 470 0.] X 0.5% = – 495 0.

If 3,200,000 – 470 is negative, enter NIL in 495

(509 = 490 – 495) = 509 0. X From 30 Ontario Allocation 100.0000% X Days in taxation year after Dec 31, 2000 and before Oct 1, 2001 558 0 / ** 365 (366 if leap year) = + 522 0.

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

(d) Capital Tax for that portion of a taxation year that is after September 30, 2001 for a corporation whose taxable capital is $5,000,000 or less and that is not associated, is NIL. ..... + 0.

Total Capital Tax for the taxation year 505 + 507 + 522 ..... = 508 0.

Transfer to 543 *on page 13 and complete the return from that point.*

B6. If 470 exceeds **$5,000,000,** complete the following calculations and transfer the amount from 508 to 543 and complete the return from that point.

Calculation: Portion of Capital Tax relating to the days in the taxation year before October 1, 2001

(a) From 470 0. X From 30 Ontario Allocation 100.0000% X .3000% X Days in taxation year before Oct 1, 2001 559 0 / ** 365 (366 if leap year) ..... = + 502 0.

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

(b) From 470 0.

Exemption – 0.

= 471 0. X From 30 Ontario Allocation 100.0000% X .3000% X Days in taxation year after Sept 30, 2001 560 365 / ** 365 (366 if leap year) ..... = + 523 0.

Total Capital Tax for the taxation year 502 + 523 ..... = 508 0.

Transfer to 543 *on page 13 and complete the return from that point.*

*** If floating taxation year, refer to Guide.***

continued on Page 12

Capital Tax Calculation *continued from page 11*

SECTION C

If the corporation is a member of an associated group and/or partnership, complete the following two aggregate taxable capital calculations as applicable, and (x) [510] X (Yes)

Note: Calculation #2 is not required if the taxation year commences after September 30, 2001.

Taxable Capital of the corporation ..... + From [470] 107,329,281.

Calculation 1

Determine aggregate taxable capital of an associated group and/or partnership having a permanent establishment in Canada

Names of associated corporations or related partners having a permanent establishment in Canada		Taxable Capital
See attached	+ [531]	260,164.
Aggregate Taxable Capital [470] + [531]	= [540]	107,589,445.

If [540] above is $5,000,000 or less, the corporation's Capital Tax for the portion of the taxation year after September 30, 2001, is NIL.
Enter NIL in [523] in E1(d) or E2(b), as applicable.

If [540] above is greater than $5,000,000, the corporation must compute its share of the $5,000,000 exemption below in order to calculate its Capital Tax for the portion of the taxation year after September 30, 2001.

From [470] 107,329,281. ÷ From [540] 107,589,445. x 5,000,000 ..... = [541] 4,987,909.
Transfer to Section E2(b)

Calculation 2

Determine aggregate taxable capital of an associated group and/or partnership that does NOT have a permanent establishment in Canada

Names of Canadian & Foreign associated corporations or related partners with no permanent establishment in Canada		Taxable Capital
	+ [514]	0.
Total Aggregate Taxable Capital [540] + [514]	= [520]	107,589,445.

If [520] is greater than $2,000,000 and less than $3,200,000 and a portion of the taxation year is before October 1, 2001, the corporation must compute the following ratio.

From [470] 107,329,281. ÷ From [520] 0. = [521] .0000.
Transfer to Section E1(a) and/or (b) and/or (c) as applicable

SECTION D

This section applies if the corporation IS a member of an associated group and/or partnership whose total AGGREGATE taxable capital at [520] is *$2,000,000 or less.*

Enter NIL in [550] and complete the return from that point.

continued on Page 13

Capital Tax Calculation *continued from Page 12*

SECTION E

This section applies if the corporation IS a member of an associated group and/or partnership whose total AGGREGATE taxable capital at 520 *exceeds $2,000,000.*

E1. If the total aggregate taxable capital 520 exceeds $2,000,000 but is $3,200,000 or less, complete the following calculations and transfer the total From 508 to 543 and complete the return from that point.

Calculation: Portion of Capital Tax relating to the days in the taxation year after May 4, 1999 and before January 1, 2000

(a) From 470 0. x .3000% = + 490 0.

Deduct: [$2,400,000 – From 520 0.] x 1.5% x From 521 .0000 = – 492 0.

If 2,400,000 – 520 is negative, enter NIL in 492

Days in taxation year after May 4, 1999 and before Jan 1, 2000: 552

(504 = 490 – 492) = 504 0. x From 30 100.0000% (Ontario Allocation) x 0 / ** 365 (366 if leap year) = + 505 0.

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

(b) From 470 0. x .3000% = + 490 0.

Deduct: [$2,800,000 – From 520 0.] x 0.75% x From 521 .0000 = – 493 0.

If 2,800,000 – 520 is negative, enter NIL in 493

Days in taxation year after Dec 31, 1999 and before Jan 1, 2001: 553

(506 = 490 – 493) = 506 0. x From 30 100.0000% (Ontario Allocation) x 0 / ** 365 (366 if leap year) = + 507 0.

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

(c) From 470 0. x .3000% = + 490 0.

Deduct: [$3,200,000 – From 520 0.] x 0.5% x From 521 .0000 = – 495 0.

If 3,200,000 – 520 is negative, enter NIL in 495

Days in taxation year after Dec 31, 2000 and before Oct 1, 2001: 557

(509 = 490 – 495) = 509 0. x From 30 100.0000% (Ontario Allocation) x 0 / ** 365 (366 if leap year) = + 522 0.

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

(d) Capital Tax for that portion of a taxation year that is after September 30, 2001 for a corporation whose total aggregate taxable capital at 540 is $5,000,000 or less is NIL. Enter NIL ..... = + 523 0.

Total Capital Tax for the taxation year 505 + 507 + 522 + 523 ..... = 508 0.

Transfer to 543 and complete the return from that point.

E2. If the total aggregate taxable capital at 520 exceeds **$3,200,000** complete the following calculations and transfer the total From 508 to 543, and complete the return from that point.

Calculation: Portion of Capital Tax relating to the days in the taxation year before October 1, 2001

(a) From 470 107,329,281. x From 30 100.0000% (Ontario Allocation) x .3000% x Days in taxation year before Oct 1, 2001: 555 / ** 0 / 365 (366 if leap year) ..... = + 502 0.

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

(b) From 470 107,329,281.

From 541 (section C) – 4,987,909.

= 471 102,341,372. x From 30 100.0000% (Ontario Allocation) x .3000% x Days in taxation year after Sept 30, 2001: 560 / ** 365 / 365 (366 if leap year) = + 523 307,024.

Total Capital Tax for the taxation year 502 + 523 ..... = 508 307,024.

*** If floating taxation year, refer to Guide.*

Transfer to 543 and complete the return from that point.

Capital Tax *before application of specified credits*	= 543	307,024.
Subtract: Specified Tax Credits applied to reduce capital tax payable *(Refer to Guide)*	– 546	0.
Capital Tax 543 – 546	= 550	307,024.

continued on Page 14

Transfer to Page 18

Capital Tax *continued from page 13*

Calculation of Capital Tax for Financial Institutions

I.1. Credit Unions only

For taxation years commencing **after May 4, 1999** enter NIL in [550] on page 13, and complete the return from that point.

I.2. Other than Credit Unions

(Retain details of calculations for amounts in boxes [565] and [570]. Do not submit with this tax return.)

[565] 0. x 0.00% X From [30] ____% x [555] 0 ÷ ** 0 (366 if leap year) = + [569] 0.
Lesser of adjusted TPUC and Basic Capital Amount in accordance with Division B.1 — Ontario Allocation — Days in taxation year

[570] 0. x [571] 0.00% X From [30] ____% x [555] 0 ÷ ** 0 (366 if leap year) = + [574] 0.
Adjusted TPUC in accordance with Division B.1 in excess of Basic Capital Amount — Capital Tax Rate *(Refer to Guide)* — Ontario Allocation — Days in taxation year

Capital Tax for Financial Institutions – other than Credit Unions (before Sections II) [569] + [574] = [575] 0.

**** If floating taxation year, refer to Guide.***

II. Small Business Investment Tax Credit

(Retain details of eligible investment calculation and, if claiming an investment in CSBIF, retain the original letter approving the credit issued in accordance with the Community Small Business Investment Fund Act. Do not submit with this tax return.)

Allowable Credit for Eligible Investments . . . . . – [585] 0.

Financial institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (x) ☐ Yes

Capital Tax – Financial Institutions [575] – [585] . . . . . = [586] 0.
Transfer to [543] on Page13

Premium Tax (s.74.2 & 74.3) *(Refer to Guide)*

(1) Uninsured Benefits Arrangements . . . . . [587] 0. x 2% . . . . = [588] 0.
Applies to Ontario-related uninsured benefits arrangements.

(2) Unlicensed Insurance (enter premium tax payable in [588] and attach a detailed schedule of calculations. If subject to tax under (1) above, add both taxes together and enter total tax in [588].)
Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with unlicensed insurers.

Deduct: Specified Tax Credits applied to reduce premium tax *(Refer to Guide)* . . . . . – [589] 0.

Premium Tax [588] – [589] . . . . . = [590] 0.
Transfer to page 18

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

Net Income (loss) for federal income tax purposes, per federal T2 SCH 1 ± 600 4,788,974.
Transfer to page 16

Add:

Federal capital cost allowance	+ 601	5,870,999.
Federal cumulative eligible capital deduction	+ 602	0.
Ontario taxable capital gain	+ 603	0.
Federal non allowable reserves. Balance beginning of year	+ 604	2,761,379.
Federal allowable reserves. Balance end of year	+ 605	0.
Ontario non-allowable reserves. Balance end of year	+ 606	2,810,433.
Ontario allowable reserves. Balance beginning of year	+ 607	0.
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	+ 608	0.
Federal resource allowance	+ 609	0.
Federal depletion allowance	+ 610	0.
Federal foreign exploration and development expenses	+ 611	0.

Management fees, rents, royalties and similar payments to non-arms' length non-residents

Number of Days in Taxation Year

			Days before May 2, 2000	Total Days		
612	0. x 5 ÷ 15.5000 x	22	0 ÷	73 365	= + 630	0.
			Days after May 1, 2000 and before Jan 1, 2001	Total Days		
612	0. x 5 ÷ 14.5000 x	24	0 ÷	73 365	= + 631	0.
			Days after Dec 31, 2000 and before Oct 1, 2001	Total Days		
612	0. x 5 ÷ 14.0000 x	26	0 ÷	73 365	= + 632	0.
			Days after Sept 30, 2001 and before Jan 1, 2003	Total Days		
612	0. x 5 ÷ 12.5000 x	28	365 ÷	73 365	= + 633	0.
			Days after Dec 31, 2002 and before Jan 1, 2004	Total Days		
612	0. x 5 ÷ 12.5000 x	31	0 ÷	73 365	= + 634	0.

Total add-back amount for Management fees, etc. 630 + 631 + 632 + 633 + 634 = 0. + 613 0.

Federal allowable business investment loss + 620 0.

Total of other items not allowed by Ontario but allowed federally *(Attach schedule)* + 614 0.

Federal Scientific Research Expenses claimed in year from federal form T661 0.

Negative Ontario SR&ED Pool amounts from Ontario schedule 161 line 473 + 0.

= 0. + 615 0.

Subtotal of Additions 601 to 611 + 613 + 620 + 614 + 615 = 11,442,811. 640 11,442,811.
Transfer to page 16

continued on Page 16

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

continued from Page 15

Net Income (loss) for federal income tax purposes, per federal T2 SCH 1 ..... From ± 600 4,788,974.

Subtotal of Additions ..... From + 640 11,442,811.

Deduct:

Ontario capital cost allowance	+ 650	5,870,999.
Ontario cumulative eligible capital deduction	+ 651	0.
Federal taxable capital gain	+ 652	0.
Ontario non-allowable reserves. Balance beginning of year	+ 653	2,761,379.
Ontario allowable reserves. Balance end of year	+ 654	0.
Federal non-allowable reserves. Balance end of year	+ 655	2,810,433.
Federal allowable reserves. Balance beginning of year	+ 656	0.
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) *(Retain calculations. Do not submit.)*	+ 657	0.
Ontario depletion allowance	+ 658	0.
Ontario resource allowance	+ 659	0.
Ontario research and development super allowance *(Attach schedule)*	+ 660	0.
Government Assistance relating to provincial deductions for scientific research and experimental development added back for federal income tax purposes as a result of the Federal 2000 Budget	+ 674	0.
Ontario current cost adjustment *(Attach schedule)*	+ 661	0.

Ontario New Technology Tax Incentive (ONTTI) Gross-up
Applies only to those corporations whose Ontario allocation is less than 100% in the current taxation year.

Capital Cost Allowance (Ontario) (CCA) on prescribed qualifying intellectual property deducted in the current taxation year ..... 662 0.

ONTTI Gross-up deduction calculation:

[From 662 0. x (100 / From 30 .0000 Ontario Allocation)] − From 662 0. = 663 0.

Workplace Child Care Tax Incentive: (***Applies*** to qualifying expenditures incurred after May 5, 1998.)

Qualifying expenditures: [665 0. x 30.00% x (100 / From 30 100.0000 Ontario Allocation)] = 666 0.

Workplace Accessibility Tax Incentive: (***Applies*** to qualifying expenditures incurred after July 1, 1998.)

Qualifying expenditures: [667 0. x 100.00% x (100 / From 30 100.0000 Ontario Allocation)] = 668 0.

Number of Employees accommodated 669 0

Ontario School Bus Safety Tax Incentive (OSBSTI): (***Applies*** to the eligible acquisition of school buses purchased after May 4, 1999 and before January 1, 2006.) *(Refer to Guide)*

Qualifying expenditures: [670 0. x 30.00% x (100 / From 30 100.0000 Ontario Allocation)] = 671 0.

Educational Technology Tax Incentive: (***Applies*** to qualifying amounts incurred after May 2, 2000.)

Qualifying expenditures: [672 0. x 15.00% x (100 / From 30 100.0000 Ontario Allocation)] = 673 0.

Ontario allowable business investment loss	+ 678	0.
Ontario Scientific Research Expenses claimed in the year from Ontario form CT161	+ 679	0.
Total of other deductions allowed by Ontario *(Attach schedule)*	+ 664	0.

Subtotal of Deductions

650 to 660 + 674 + 661 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 664 ..... = 11,442,811. 680 11,442,811.

Net income (loss) for Ontario Purposes 600 + 640 − 680 ..... = 690 4,788,974.

Transfer to Page 4

Continuity of Losses Carried Forward

	Non-Capital Losses (1)	Total Capital Losses (9) (10)	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
Balance at Beginning of Year	700 (2) 2,624,081	710 (2) 0	720 (2) 0	730 0	740 0	750 0
Add: Current year's losses (7)	701 0	711 0	721 0	731 0	741 0	751 0
Losses from predecessor corporations (3)	702 0	712 0	722 0	732 0		752 0
Subtotal	703 0	713 0	723 0	733 0	743 0	753 0
Subtract: Utilized during the year to reduce taxable income	704 2,624,081	715 (4) 0	724 0	734 (4) 0	744 (4) 0	754 (4) 0
Expired during the year	705 0		725 0	735 0	745 0	
Carried back to prior years to reduce taxable income (5)	706 (2) to Page 18 0	716 (2) to Page 18 0	726 (2) to Page 18 0	736 (2) to Page 18 0	746 0	
Subtotal	707 2,624,081	717 0	727 0	737 0	747 0	757 0
Balance at End of Year	709 (8) 0	719 0	729 0	739 0	749 0	759 0

Notes:

(1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.

(2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5), as made applicable by s.34.

(3) Includes losses on amalgamation (fed.s.87(2.1) and s.87(2.11) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.

(4) To the extent of applicable gains/income/at-risk amount only.

(5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.

(6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.

(7) Include amount form 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.

(8) Amount in 709 must equal total of 829 + 839.

(9) Total Capital Losses for a year is the excess of 100% of the Capital Losses in the taxation year minus 100% of the Capital Gains (less any reserves) in the taxation year. Total Capital Losses is before the inclusion rate has been applied.

(10) In the 2001 CT23 this column now refers to Total Capital Losses (100% of loss), whereas previously the column referred to Net Capital Losses (75% of loss or after the inclusion rate has been applied). Loss amounts that are not carried at 100% of the loss must be grossed back up to 100% by multiplying the balance by 1.333333. No adjustment is required where losses are carried at 100% of the loss amount.

Analysis of Balance by Year of Origin

Year of Origin (oldest year first) year month day	Non-Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only (9) (10)	Farm Losses	Restricted Farm Losses
800 1994-09-30				850 0	870 0
801 1995-09-30				851 0	871 0
802 1996-09-30				852 0	872 0
803 1997-09-30	820 0	830 0	840 0	853 0	873 0
804 1998-09-30	821 0	831 0	841 0	854 0	874 0
805 1999-09-30	822 0	832 0	842 0	855 0	875 0
806 2000-09-30	823 0	833 0	843 0	856 0	876 0
807 2001-09-30	824 0	834 0	844 0	857 0	877 0
808 2001-12-31	825 0	835 0	845 0	858 0	878 0
809 2002-12-31	826 0	836 0	846 0	859 0	879 0
Total	829 0	839 0	849 0	869 0	889 0

Request for Loss Carry-Back (s.80(16))

Applies to corporations requesting a reassessment of the return of one or more previous taxation years under s.80(16) with respect to one or more types of losses carried back.

- If, after applying a loss carry-back to one or more previous years, there is a balance of loss available to carry forward to a future year, it is the corporation's responsibility to claim such a balance for those years following the year of loss within the limitations of fed.s.111, as made applicable by s.34.
- Where control of a corporation has been acquired by a person or group of persons, certain restrictions apply to the carry-forward and carry-back provisions of losses under fed.s.111(4) through 111(5.5), as made applicable by s.34.
- Refunds arising from the loss carry-back adjustment may be applied by the Minister of Finance to amounts owing under ***any Act administered by the Ministry of Finance.***
- Any late filing penalty applicable to the return for which the loss is being applied will not be reduced by the loss carry-back.
- The application of a loss carry-back will be available for interest calculation purposes on the day that is the latest of the following:
  1) the first day of the taxation year after the loss year,
  2) the day on which the corporation's return for the loss year is delivered to the Minister, or
  3) the day on which the Minister receives a request in writing from the corporation to reassess the particular taxation year to take into account the deduction of the loss.
- If a loss is being carried back to a **predecessor corporation**, enter the predecessor corporation's account number and taxation year end in the spaces provided under Application of Losses below.

Application of Losses

	Predecessor Ontario Corporation's Tax Account No. (MOF)		Taxation Year Ending (year month day)	Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
Total amount of loss				910 0	920 0	930 0	940 0
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income							
i) 3rd preceding		901		911 0	921 0	931 0	941 0
ii) 2nd preceding		902		912 0	922 0	932 0	942 0
iii) 1st preceding		903		913 0	923 0	933 0	943 0
Total loss to be carried back				From 706 0	From 716 0	From 726 0	From 736 0
Balance of loss available for carry-forward				919 0	929 0	939 0	949 0

Summary

Income tax	+ From	230 or 320	270,612.
Corporate Minimum Tax	+ From	280	0.
Capital Tax	+ From	550	307,024.
Premium Tax	+ From	590	0.
Total Tax Payable	=	950	577,636.
Subtract: Payments	–	960	1,898,398.
Capital Gains Refund (s.48)	–	965	0.
Qualifying Environmental Trust Tax Credit *(Refer to Guide)*	–	985	0.
Specified Tax Credits *(Refer to Guide)*	–	955	0.
Other (specify) _____	–		0.
Balance	=	970	-1,320,762.
If payment due Enclosed *		990	0.
If overpayment: Refund *(Refer to Guide)*	=	975	1,320,762.
Apply to (year month day)		980	0.

(Includes credit interest)

* Make your cheque (drawn on a Canadian financial institution) or a money order in Canadian funds, ***payable to the MINISTER OF FINANCE*** and print your Ontario Corporation's Tax Account No. (MOF) on the back of cheque or money order.

Certification

I am an authorized signing officer of the corporation. I certify that this CT23 return, including all schedules and statements filed with or as part of this CT23 return, has been examined by me and is a true, correct and complete return and that the information is in agreement with the books and records of the corporation. I further certify that the financial statements accurately reflect the financial position and operating results of the corporation as required under section 75 of the *Corporations Tax Act*. The method of computing income for this taxation year is consistent with that of the previous year, except as specifically disclosed in a statement attached.

Name (please print)

Albert Singh
Title

V.P. Finance & CFO
Full Residence Address

Signature	Date

Note: Section 76 of the Corporations Tax Act provides penalties for making false or misleading statements or omissions.

Waterloo North Hydro Inc.
CT23 Line 353

Long term debt		61,864,332.00
Customer deposits		391,076.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
	Total	62,255,408.00

Waterloo North Hydro Inc.
CT23 Line 371

NBV per f/s		82,541,373.00
Less: UCC per Sch.8		-92,881,059.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
	Total	-10,339,686.00

DOLLARS ONLY

Corporate Minimum Tax - Schedule A: Calculation of CMT Base

Banks - Net income/loss as per report accepted by Superintendent of Financial Institutions (SFI) under the Bank Act (Canada), adjusted so consolidation/equity methods are not used.

Net Income/Loss (unconsolidated, determined in accordance with GAAP)			± 2100	4,184,315.
Subtract (to the extent reflected in net income/loss):				
Provision for recovery of income taxes		+ 2101	0.	
Provision for deferred income taxes (credits)		+ 2102	0.	
Equity income from corporations		+ 2103	0.	
Share of partnership(s)/joint venture(s) income		+ 2104	0.	
Dividends received/receivable deductible under fed.s.112		+ 2105	0.	
Dividends received/receivable deductible under fed.s.113		+ 2106	0.	
Dividends received/receivable deductible under fed.s.83(2)		+ 2107	0.	
Federal Part VI.1 tax paid on dividends declared and paid after May 5, 1997, under fed.s.191.1(1)	0. x 9/4	+ 2108	0.	
Subtotal		=	0.	- 2109 0.
Add (to extent reflected in net income/loss):				
Provision for current taxes		+ 2110	1,002,712.	
Provision for deferred income taxes (debits)		+ 2111	0.	
Equity losses from corporations		+ 2112	0.	
Share of partnership(s)/joint venture(s) losses		+ 2113	0.	
Dividends that have been deducted to arrive at net income per Financial Statements. *Applies* to dividends that have been declared and paid after May 5, 1997.s.57.4(1.1) (excluding dividends under fed.s.137(4.1))		+ 2114	0.	
Subtotal		=	1,002,712.	+ 2115 1,002,712.
Add/Subtract:				
Amounts relating to s.57.9 election/regulations for disposals etc. of property for current/prior years				
** Fed.s.85		+ 2116	0. or - 2117	0.
** Fed.s.85.1		+ 2118	0. or - 2119	0.
** Fed.s.97		+ 2120	0. or - 2121	0.
** Amounts relating to amalgamations (fed.s.87) as prescribed in regulations for current/prior years		+ 2122	0. or - 2123	0.
** Amounts relating to wind-ups (fed.s.88) as prescribed in regulations for current/prior years		+ 2124	0. or - 2125	0.
** Amounts relating to s.57.10 election/regulations for replacement re fed.s.13(4), 14(6) and 44 for current/prior years		+ 2126	0. or - 2127	0.
Interest allowable under ss.20(1)(c) or (d) of ITA to the extent not otherwise deducted in determining CMT adjusted net income			- 2150	0.
Subtotal (Additions)		=	0.	+ 2128 0.
Subtotal (Subtractions)		=	0.	- 2129 0.
** Other adjustments				± 2130 0.
Subtotal ± 2100 - 2109 + 2115 + 2128 - 2129 ± 2130				= 2131 5,187,027.
** Share of partnership(s)/joint venture(s) **adjusted** net income/loss				± 2132 0.
Adjusted net income (loss) (if loss, transfer to 2202 *in Schedule B: Continuity of CMT Losses Carried Forward, Page 20.)*				= 2133 5,187,027.
Deduct: * CMT losses: pre-1994 Loss		+ From 2210	0.	
* CMT losses: other eligible losses		+ From 2211	2,243,409.	
		=	2,243,409.	- 2134 2,243,409.

* CMT losses applied cannot exceed adjusted net income or increase a loss

** *Retain calculations. Do not submit with this tax return.*

CMT Base = 2135 2,943,618.

Transfer to CMT Base on Page 8

Corporate Minimum Tax (CMT)

DOLLARS ONLY

Schedule B: Continuity of CMT Losses Carried Forward

Balance at Beginning of year (1), (2)				+ 2201	2,243,409.
Add:	Current year's losses	+ 2202	0.		
	Losses from predecessor corporations on amalgamation (3)	+ 2203	0.		
	Losses from predecessor corporations on wind-up (3)	+ 2204	0.		
	Amalgamation (x) 2205 ☐ Yes Wind-up (x) 2206 ☐ Yes				
Subtotal		=	0.	+ 2207	0.
Adjustments (attach schedule)				± 2208	0.
CMT losses available	2201 + 2207 ± 2208			= 2209	2,243,409.
Subtract:	Pre-1994 loss utilized during the year to reduce adjusted net income	+ 2210	0.		
	Other eligible losses utilized during the year to reduce adjusted net income (4)	+ 2211	2,243,409.		
	Losses expired during the year	+ 2212	0.		
Subtotal		=	2,243,409.	- 2213	2,243,409.
Balances at End of Year (5)	2209 - 2213			= 2214	0.

Notes:

(1) Pre-1994 CMT loss (see s.57.1(1)) should be included in the balance at beginning of the year. Attach schedule showing computation of pre-1994 CMT loss.

(2) Where acquisition of control of the corporation has occurred, the utilization of CMT losses can be restricted. (see s.57.5(3) and s.57.5(7))

(3) Include and indicate whether CMT losses are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.57.5(8) and s.57.5(9))

(4) CMT losses must be used to the extent of the lesser of the adjusted net income 2133 and CMT losses available 2209.

(5) Amount in 2214 must equal sum of 2270 + 2290.

Schedule C: Analysis of CMT Losses Year End Balance by Year of Origin

For a pre-1994 loss, use the date of the last taxation year end before your corporation's first taxation year commencing after 1993.

	Year of Origin (oldest year first) year month day	CMT Losses of Corporation	CMT Losses of Predecessor Corporations
2240	2001-12-31	2260 0	2280 0
2241	2002-12-31	2261 0	2281 0
2242		2262 0	2282 0
2243		2263 0	2283 0
2244		2264 0	2284 0
2245		2265 0	2285 0
2246		2266 0	2286 0
2247		2267 0	2287 0
2248		2268 0	2288 0
2249		2269 0	2289 0
Totals		2270 0	2290 0

The sum of amounts 2270 + 2290 ***must equal amount in*** 2214.

Corporate Minimum Tax (CMT)

DOLLARS ONLY

Schedule D: Continuity of CMT Credit Carryovers

Balance at Beginning of year (1)					+ 2301	0.
Add: Current year's CMT Credit (280 on page 8. If negative, enter NIL)			+ From 280	0.		
CMT Credit Carryovers from predecessor corporations (2)			+ 2302	0.		
Amalgamation (x) 2303 ☐ Yes Wind-up (x) 2304 ☐ Yes						
Subtotal			=	0.	+ 2305	0.
Adjustments *(Attach schedule)*					± 2306	0.
CMT credit carryover available 2301 + 2305 ± 2306					= 2307	0.
						Transfer to Page 8
Subtract: CMT Credit utilized during the year to reduce income tax (Page 8)			+ From 310	0.		
CMT Credit expired during the year			+ 2308	0.		
Subtotal			=	0.	- 2309	0.
Balance at End of Year (3) 2307 - 2309					= 2310	0.

Notes:

(1) Where acquisition of control of the corporation has occurred, the utilization of CMT credits can be restricted. (see s.43.1(5))

(2) Include and indicate whether CMT credits are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.43.1(4))

(3) Amount in 2310 must equal sum of 2370 + 2390.

Schedule E: Analysis of CMT Credit Carryovers Year End Balance by Year of Origin

	Year of Origin (oldest year first) year month day	CMT Credit Carryovers of Corporation	CMT Credit Carryovers of Predecessor Corporation(s)
2340	2001-12-31	2360 0	2380 0
2341	2002-12-31	2361 0	2381 0
2342		2362 0	2382 0
2343		2363 0	2383 0
2344		2364 0	2384 0
2345		2365 0	2385 0
2346		2366 0	2386 0
2347		2367 0	2387 0
2348		2368 0	2388 0
2349		2369 0	2389 0
Totals		2370 0	2390 0

The sum of amounts 2370 + 2390 *must equal amount in* 2310.

CALCULATION OF TAX RATES FOR THE

- Incentive Deduction for Small Business Corporations (IDSBC) (Small Business Tax Credit) (S.41)
- Surtax on Canadian-controlled Private Corporations (s.41.1)

1. Calculation of IDSBC Rate

Number of Days In Taxation Year

		Days after December 31, 1998 and before January 1, 2000		Total Days		
7.00%	x	0	/	365	=	.0000%
		Days after December 31, 1999 and before January 1, 2001		Total Days		
7.50%	x	0	/	365	=	.0000%
		Days after December 31, 2000 and before October 1, 2001		Total Days		
7.50%	x	0	/	365	=	.0000%
		Days after September 30, 2001 and before January 1, 2003		Total Days		
6.50%	x	365	/	365	=	6.5000%
		Days after December 31, 2002 and before January 1, 2004		Total Days		
7.00%	x	0	/	365	=	.0000%
IDSBC Rate for the Taxation Year					=	6.5000%

2. Calculation of Specified Rate for Surtax

Number of Days In Taxation Year

		Days		Total Days		
4.67%	x	0 (Days after December 31, 1998 and before January 1, 2000)	/	365	=	.0000%
5.00%	x	0 (Days after December 31, 1999 and before January 1, 2001)	/	365	=	.0000%
5.00%	x	0 (Days after December 31, 2000 and before October 1, 2001)	/	365	=	.0000%
4.3330%	x	365 (Days after September 30, 2001 and before January 1, 2003)	/	365	=	4.3330%
4.6670%	x	0 (Days after December 31, 2002 and before January 1, 2004)	/	365	=	.0000%

Specified Rate of Surtax for the Taxation Year					=	4.3330%
						======

ONTARIO CT23 SUPPLEMENTARY - LIST OF ASSOCIATED CORPORATIONS

Name of Associated Corporation	Ontario Corp. Tax Number	Taxation Year end	Taxable Capital	Total Assets (Note 1)	Total Revenue (Note 1)	Taxable Income (Note 2)	No Perm Estab in Canada
Waterloo North Hydro Holding		2002-12-31	260,164	97,940,168	5,818,778		0
TOTALS			260,164	97,940,168	5,818,778		0

Note 1: Enter total assets and total revenues only if "Corporate Minimum Tax (CMT)" is applicable.

Note 2: Enter Taxable Income amounts only if "Surtax on a CCPC" is applicable (i.e. IDSBC is applicable).

Ontario CT23 Supplementary

Summary of Capital Cost Allowance

Is the corporation electing under regulation 1101(5g)? [Y/N] N

1 Class number	2 Ontario unde-preciated capital cost at the beginning of the year (unde-preciated capital cost at the end of the prior year's CCA schedule)	3 Cost of acquisitions during the year (new property must be available for use) See note 1 below	4 Net adjustments (show negative amounts in brackets)	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	6 Ontario unde-preciated capital cost (column 2 plus column 3 or minus column 4 minus column 5)	7 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5) See note 2 below	8 Reduced unde-preciated capital cost (column 6 minus column 7)	9 CCA rate %	10 Recapture of capital cost allowance	11 Terminal loss	12 Ontario capital cost allowance (column 8 multiplied by column 9; or a lower amount)	13 Ontario unde-preciated capital cost at the end of the year (column 6 minus column 12)
1	81,052,203	7,023,122	0	0	88,075,325	3,511,561	84,563,764	4	0	0	3,382,551	84,692,774
8	5,236,792	777,315	0	339,000	5,675,107	219,157	5,455,950	20	0	0	1,091,190	4,583,917
10	4,313,423	703,092	0	14,889	5,001,626	344,101	4,657,525	30	0	0	1,397,258	3,604,368
Total	90,602,418	8,503,529	0	353,889	98,752,058	4,074,819	94,677,239		0	0	5,870,999	92,881,059
								Enter in boxes	[650]	[650]	[650] on the CT23	

Note 1. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule. See Regulation 1100(2) and (2.2) of the "Income Tax Act" (Canada).

Note 2. The net cost of acquisitions is the cost of acquisitions plus or minus certain adjustments from column 4.

Note 3. If the taxation year is shorter than 365 days, prorate the CCA claim.

Note 4. Ontario recapture should be included in net income after deducting the federal recapture and the Ontario terminal loss is deducted from net income after including the federal terminal loss.

Attachment P

2003
Tax Returns

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

T2 CORPORATION INCOME TAX RETURN

CLIENT'S COPY

200

Code 0301

055	Do not use this area

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec, Ontario, or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporate return.

Parts, sections, subsections, and paragraphs mentioned on this return refer to the *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing. If you need more information about items on the return, see the corresponding items in the *T2 Corporation – Income Tax Guide* (T4012).

Send one completed copy of this return, including schedules and the *General Index of Financial Information* (GIFI), to your tax services office or tax centre. You have to file the return within six months after the end of the corporation's taxation year. For more information on when and how to file T2 returns, see items 1 to 5 in the guide.

Identification

Business Number (BN) 001 865844575RC0001

Corporation's name

002 Waterloo North Hydro Inc.

Has the corporation changed its name since the last time we were notified? 003 1 Yes [ ] 2 No [X]

If *Yes*, do you have a copy of the articles of amendment? 004 1 Yes [ ] 2 No [ ]

Address of head office

Has the address changed since the last time we were notified? 010 1 Yes [ ] 2 No [X]

011 300 Northfield Drive East

012 Box 640

City	Province, territory, or state
015 Waterloo	016 ON
Country (other than Canada)	**Postal code/ZIP code**
017	018 N2J-4A3

Mailing address (if different from head office address)

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

020 1 Yes [ ] 2 No [X]

021 c/o

022

023

City	Province, territory, or state
025	026
Country (other than Canada)	**Postal code/ZIP code**
027	028

Location of books and records

031 300 Northfield Drive East

032

City	Province, territory, or state
035 Waterloo	036 ON
Country (other than Canada)	**Postal code/ZIP code**
037	038 N2J-4A3

040 **Type of corporation at the end of the taxation year**

1 [X] Canadian-controlled private corporation (CCPC)
2 [ ] Other private corporation
3 [ ] Public corporation
4 [ ] Corporation controlled by a public corporation
5 [ ] Other corporation (specify, below)

If the type of corporation changed during the taxation year, provide the effective date of the change 043 _____ YYYY/MM/DD

To which taxation year does this return apply?

Taxation year start	Taxation year-end
060 2003-01-01 YYYY/MM/DD	061 2003-12-31 YYYY/MM/DD

Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? 063 1 Yes [ ] 2 No [X]

If *Yes*, give the date control was acquired 065 _____ YYYY/MM/DD

Is the corporation a professional corporation that is a member of a partnership? 067 1 Yes [ ] 2 No [X]

Is this the first year of filing after:

Incorporation? 070 1 Yes [ ] 2 No [X]
Amalgamation? 071 1 Yes [ ] 2 No [X]

If *Yes*, complete and attach Schedule 24.

Has there been a windup of a subsidiary under section 88 during the current taxation year? 072 1 Yes [ ] 2 No [X]

If *Yes*, complete and attach Schedule 24.

Is this the final taxation year before amalgamation? 076 1 Yes [ ] 2 No [X]

Is this the final return up to dissolution? 078 1 Yes [ ] 2 No [X]

Is the corporation a resident of Canada?

080 1 Yes [X] 2 No [ ] If *No*, give the country of residence.

081

Is the non-resident corporation claiming an exemption under an income tax treaty? 082 1 Yes [ ] 2 No [X]

If *Yes*, complete and attach Schedule 91.

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

085
1 [ ] Exempt under paragraph 149(1)(e) or (l)
2 [ ] Exempt under paragraph 149(1)(j)
3 [ ] Exempt under paragraph 149(1)(t)
4 [ ] Exempt under other paragraphs of section 149

Attachments

Financial statement information: For taxation years ending in 2000 and later, use GIFI schedules 100, 125, and 141. * We do not print these schedules.

Schedules – Answer the following questions. For each *Yes* response, attach to the T2 return the schedule that applies.

Guide item			Yes	Schedule
27	Is the corporation related to any other corporations?	150	X	9
28	Does the corporation have any non-resident shareholders?	151		19
29	Is the corporation an associated Canadian-controlled private corporation?	160	X	23
30	Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit?	161		49
32	Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162		11
33	If you answered *Yes* to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44
34	Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
35	Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
37	Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166		T5004
38	Is the corporation a member of a partnership for which a partnership identification number has been assigned?	167		T5013
40	Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust?	168		22
41	Did the corporation have any foreign affiliates during the year?	169		25
42	Has the corporation made any payments to non-residents of Canada under subsections 202(1) and 105(1) of the federal *Income Tax Regulations*?	170		29
43	Has the corporation had any non-arm's length transactions with a non-resident?	171		T106
47	Has the corporation made payments to, or received amounts from, a retirement compensation arrangement in the year?	172		—
46	For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	X	50
55	Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	X	1
78-81	Has the corporation made any charitable donations, gifts to Canada, a province, or a territory, or gifts of cultural or ecological property?	202		2
82,104	Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203		3
69-76	Is the corporation claiming any type of losses?	204		4
132	Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205		5
56	Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206		6
103	i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return, b) a partnership, c) a foreign business, or d) a personal services business; or ii) is the corporation claiming the refundable portion of Part I tax?	207		7
57	Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
58	Does the corporation have any property that is eligible capital property?	210		10
59	Does the corporation have any resource-related deductions?	212		12
60	Is the corporation claiming reserves of any kind?	213		13
61	Is the corporation claiming a patronage dividend deduction?	216		16
62	Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217		17
150	Is the corporation an investment corporation or a mutual fund corporation?	218		18
131	Was the corporation carrying on business in Canada as a non-resident corporation?	220		20
118	Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221		21
155	Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226		26 *
111	Does the corporation have any Canadian manufacturing and processing profits?	227		27
121	Is the corporation claiming an investment tax credit?	231		31
63	Is the corporation claiming any scientific research and experimental development expenditures?	232		T661
124	Is the corporation subject to gross Part I.3 tax?	233	X	33/34/35
124	Is the corporation a member of a related group with one or more members subject to gross Part I.3 tax?	236	X	36
124	Is the corporation claiming a surtax credit?	237		37
128	Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
128	Is the corporation claiming a Part I tax credit?	242		42
129	Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243		43
129	Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
125	Is the corporation subject to Part II – Tobacco Manufacturers' surtax?	249		46
128	For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250		39
128	For life insurance corporations: Is the corporation a member of a related group of insurance corporations with one or more members subject to the additional gross Part VI tax?	251		40
128	For deposit-taking institutions: Is the corporation a member of a related group of financial institutions (other than life insurance corporations) with one or more members subject to the additional Part VI tax?	252		41
152	Is the corporation claiming a Canadian film or video production tax credit refund?	253		T1131

Attachments – continued from page 2

Guide item		Yes	Schedule
130	Is the corporation subject to Part XIII.1 tax?		92 *
153	Is the corporation claiming a film or video production services tax credit refund?		T1177
44	Did the corporation have any foreign affiliates that are not controlled foreign affiliates?		T1134-A
44	Did the corporation have any controlled foreign affiliates?		T1134-B
44	Did the corporation own specified foreign property in the year with a cost amount over $100,000?		T1135
44	Did the corporation transfer or loan property to a non-resident trust?		T1141
44	Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?		T1142
—	Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?		T1145
—	Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?		T1146
—	Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?		T1174
—	Is the corporation claiming the BC mining exploration tax credit?		421
—	Is the corporation claiming the BC SR&ED tax credit?		T666

Additional information

Is the corporation inactive? 280 1 Yes ☐ 2 No ☒

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? (Only complete if *Yes* was entered at line 281.) 282 _____

If the major activity involves the resale of goods, indicate whether it is wholesale or retail 283 1 Wholesale ☐ 2 Retail ☐

Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.

284	Electricity	285	100%
286		287	0%
288		289	0%

Did the corporation immigrate to Canada during the taxation year? 291 1 Yes ☐ 2 No ☒

Did the corporation emigrate from Canada during the taxation year? 292 1 Yes ☐ 2 No ☒

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI			300 4,221,987	A
Deduct: Charitable donations from Schedule 2	311	0		
Gifts to Canada, a province, or a territory from Schedule 2	312	0		
Cultural gifts from Schedule 2	313	0		
Ecological gifts from Schedule 2	314	0		
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320	0		
Part VI.1 tax deduction from Schedule 43*	325	0		
Non-capital losses of preceding taxation years from Schedule 4	331	0		
Net-capital losses of preceding taxation years from Schedule 4	332	0		
Restricted farm losses of preceding taxation years from Schedule 4	333	0		
Farm losses of preceding taxation years from Schedule 4	334	0		
Limited partnership losses of preceding taxation years from Schedule 4	335	0		
Taxable capital gains or taxable dividends allocated from a central credit union	340	0		
Prospector's and grubstaker's shares	350	0		
Subtotal		0	0	B
Subtotal (amount A minus amount B) (if negative, enter "0")			4,221,987	C
Add: Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions			355 0	D
Taxable income (amount C plus amount D)			360 4,221,987	
Income exempt under paragraph 149(1)(t)			370 0	
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370)			4,221,987	Z

* This amount is equal to 3 times the Part VI.1 tax payable at line 724 on page 8.

Small business deduction

Canadian-controlled private corporations (CCPCs) throughout the taxation year

Income from active business carried on in Canada from Schedule 7 ..... 400 4,221,987 A

Taxable income from line 360 on page 3, **minus** 10/3 of the amount at line 632* on page 7, **minus** 3 times the amount at line 636** on page 7, and **minus** any amount that, because of federal law, is exempt from Part I tax ... 405 4,221,987 B

Calculation of the business limit:

For all CCPCs, calculate the amount at line 4 below.

200,000	x	Number of days in the taxation year before 2003 / Number of days in the taxation year	0 / 365	=	0	1
225,000	x	Number of days in the taxation year in 2003 / Number of days in the taxation year	365 / 365	=	225,000	2
250,000	x	Number of days in the taxation year in 2004 / Number of days in the taxation year	0 / 365	=	0	3
300,000	x	Number of days in the taxation year in 2005 / Number of days in the taxation year	0 / 365	=	0	3.1

Add amounts at lines 1, 2, 3, and 3.1 225,000 4

Business limit (see notes 1 and 2 below) ..... 410 225,000 C

Notes: 1. For CCPCs that are note associated, enter the amount from line 4 at line 410. However, if the corporation's taxation year is less than 51 weeks, prorate the amount from line 4 by the number of days in the taxation year divided by 365, and enter the result on line 410.

2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered at line 410.

Business limit reduction:

Amount C 225,000 x 415*** 197,534 / 11,250 D = ... 3,950,680 E

Reduced business limit (amount C minus amount E) (if negative, enter "0") ..... 425 0 F

Small business deduction - 16.00% of whichever amount is least: A, B, C, or F ..... 430 0 G
(enter amount G on line 9 of page 7)

* Calculate the amount of foreign non-business income tax credit deductible at line 632 without reference to the refundable tax on the CCPC's investment income (line 604) and without reference to the corporate tax reductions under section 123.4.

** Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

*** **Large corporation tax**

- The large corporation tax to be entered at line 415 is the gross Part I.3 tax, which is the amount before deducting the surtax credits, increased to reflect a full-year tax liability if the taxation year is less than 51 weeks. For the purpose of the business limit reduction, the gross Part I.3 tax is equal to 0.225% x (taxable capital employed in Canada minus $10,000,000).
- If the corporation is not associated with any corporation in both the current and the preceding taxation years, enter the corporation's gross Part I.3 tax for its **preceding** taxation year.
- If the corporation is not associated with any corporation in the current taxation year, but was associated in the preceding taxation year, and its current taxation year:
  - starts before December 21, 2002, enter the corporation's gross Part I.3 tax for its **preceding** taxation year; or
  - starts after December 20, 2002, enter the corporation's gross Part I.3 tax for its **current** taxation year.
- For corporations associated in the current taxation year, see Schedule 23 for the special rules that apply.

Accelerated tax reduction

Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction

Reduced business limit (amount from line 425) ..... 0 x 300,000 / line 4 above = 0 A

Net active business income (amount from line 400) * ..... 4,221,987 B

Taxable income from line 360 on page 3 **minus** 3 times the amount at line 636** on page 7, and **minus** any amount that, because of federal law, is exempt for Part I tax ..... 4,221,987 C

Deduct:

Aggregate investment income (amount from line 440 of page 6) ..... 0 D

Amount C minus amount D (if negative, enter "0") ..... 4,221,987 4,221,987 E

Amount A, B, or E above, whichever is less ..... 0 F

Amount Z from Part 9 of Schedule 27 ..... 0 x 100/7 = 0 G

Amount QQ from Part 13 of Schedule 27 ..... 0 H

Taxable resource income from line 435 of page 5 ..... 0 I

Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) .. 0 J

Amount on line 400, 405, 410, or 425 of the small business deduction, whichever is less .. 0 K

Total of amounts G, H, I, J, and K ..... 0 0 L

Amount F minus amount L (if negative, enter "0") ..... 0 M

Accelerated tax reduction - 7% of amount M (enter amount N on line 637 of page 7) ..... 0 N

* If the amount at line 450 of Schedule 7 is positive, members of partnerships need to use Schedule 70 to calculate net active business income.

** Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

Resource deduction

Taxable resource income [as defined in subsection 125.11(1)] ..... 435 0 A

Amount A	0	x	Number of days in the taxation year in 2003 / Number of days in the taxation year	365/365	x 1% =	0 B
Amount A	0	x	Number of days in the taxation year in 2004 / Number of days in the taxation year	0/365	x 2% =	0 C
Amount A	0	x	Number of days in the taxation year in 2005 / Number of days in the taxation year	0/365	x 3% =	0 C.1

Resource deduction – total of amounts B, C, and C.1 ..... 438 0 D
(enter amount D on line 10 of page 7)

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the taxation year

Taxable income from line 360 on page 3 ..... 4,221,987 E

Amount Z from Part 9 of Schedule 27	0 x 100/7 =	0	F
Amount QQ from Part 13 of Schedule 27		0	G
Taxable resource income from line 435 above		0	H
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)		0	I
Amount on line 400, 405, 410, or 425 on page 4, whichever is less		0	J
Aggregate investment income from line 440 of page 6		0	K
Amount used to calculate the accelerated tax reduction (amount M of page 4)		0	L
Total of amounts F, G, H, I, J, K, and L		0	0 M

Amount E minus amount M (if negative, enter "0") ..... 4,221,987 N

Amount N	4,221,987	x	Number of days in the taxation year in 2001 / Number of days in the taxation year	0/365	x 1% =	0
Amount N	4,221,987	x	Number of days in the taxation year in 2002 / Number of days in the taxation year	0/365	x 3% =	0 O
Amount N	4,221,987	x	Number of days in the taxation year in 2003 / Number of days in the taxation year	365/365	x 5% =	211,099 P
Amount N	4,221,987	x	Number of days in the taxation year after 2003 / Number of days in the taxation year	0/365	x 7% =	0 Q

General tax reduction for Canadian-controlled private corporations - total of amounts year 2001, O, P, and Q ..... 211,099 R
(enter amount R on line 638 of page 7)

General tax reduction

Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or a non-resident-owned investment corporation

Taxable income from line 360 of page 3 ..... 0 S

Amount Z from Part 9 of Schedule 27	0 x 100/7 =	0	T
Amount QQ from Part 13 of Schedule 27		0	U
Taxable resource income from line 435 above		0	V
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)		0	W
Total of amounts T, U, V, and W		0	0 X

Amount S minus amount X (if negative, enter "0") ..... 0 Y

Amount Y	0	x	Number of days in the taxation year in 2001 / Number of days in the taxation year	0/365	x 1% =	0
Amount Y	0	x	Number of days in the taxation year in 2002 / Number of days in the taxation year	0/365	x 3% =	0 Z
Amount Y	0	x	Number of days in the taxation year in 2003 / Number of days in the taxation year	365/365	x 5% =	0 AA
Amount Y	0	x	Number of days in the taxation year after 2003 / Number of days in the taxation year	0/365	x 7% =	0 BB

General tax reduction - total of amounts year 2001, Z, AA, and BB ..... 0 CC
(enter amount CC on line 639 of page 7)

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the taxation year

Aggregate investment income (amount P from Part 1 of Schedule 7)	440	0 x 26 2/3% =		0 A
Foreign non-business income tax credit from line 632 on page 7			0	
Deduct:				
Foreign investment income (amount O from Part 1 of Schedule 7)	445	0 x 9 1/3% =	0	
		(if negative, enter "0")	0	0 B
Amount A minus amount B (if negative, enter "0")				0 C
Taxable income from line 360 on page 3			4,221,987	
Deduct:				
Amount on line 400, 405, 410, or 425 on page 4, whichever is less			0	
Foreign non-business income tax credit from line 632 of page 7		0 x 25/9 =	0	
Foreign business income tax credit from line 636 of page 7		0 x 3 =	0	
			0	0
			4,221,987 x 26 2/3% =	1,125,863 D
Part I tax payable minus investment tax credit refund (line 700 minus line 780 of page 8)			1,018,343	
Deduct: Corporate surtax from line 600 of page 7			47,286	
Net amount			971,057	971,057 E
Refundable portion of Part I tax – Amount C, D, or E, whichever is less	450			0 F

Refundable dividend tax on hand

Refundable dividend tax on hand at the end of the preceding taxation year	460	0	
Deduct: Dividend refund for the previous taxation year	465	0	
		0	0 A
Add the total of:			
Refundable portion of Part I tax from line 450 above		0	
Total Part IV tax payable from line 360 on page 2 of Schedule 3		0	
Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation	480	0	
		0	0 B
Refundable dividend tax on hand at the end of the taxation year – Amount A plus amount B	485		0

Dividend refund

Private and subject corporations at the time taxable dividends were paid in the taxation year

Taxable dividends paid in the taxation year from line 460 on page 2 of Schedule 3	0	x 1/3	0 A
Refundable dividend tax on hand at the end of the taxation year from line 485 above			0 B
Dividend refund – Amount A or B, whichever is less (enter this amount on line 784 of page 8)			0

Part I tax

Base amount of Part I tax – 38.00% of taxable income (line 360 or amount Z, whichever applies) from page 3 ..... 550 1,604,355 A

Corporate surtax calculation

Base amount from line A above	1,604,355	1
Deduct:		
10% of taxable income (line 360 or amount Z, whichever applies) from page 3	422,199	2
Investment corporation deduction from line 620 below	0	3
Federal logging tax credit from line 640 below	0	4
Federal qualifying environmental trust tax credit from line 648 below	0	5

For a mutual fund corporation or an investment corporation throughout the taxation year, enter amount a, b, or c below on line 6, whichever is less:

28.00% of taxable income from line 360 of page 3	0	a	
28.00% of taxed capital gains	0	b	0 6
Part I tax otherwise payable (line A **plus** lines C and D **minus** line F)	0	c	
Total of lines 2 to 6			422,199 7
Net amount (line 1 minus line 7)			1,182,156 8

Corporate surtax – 4.00% of the amount on line 8 ..... 600 47,286 B

Recapture of investment tax credit from line PPP in Part 21 of Schedule 31 ..... 602 0 C

Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income (for a CCPC throughout the taxation year)

Aggregate investment income from line 440 on page 6		0	i
Taxable income from line 360 on page 3	4,221,987		
Deduct:			
Amount on lines 400, 405, 410, or 425 of page 4, whichever is less	0		
Net amount	4,221,987	4,221,987	ii

Refundable tax on CCPC's investment income – 6 2/3% of the lesser of amounts i or ii ..... 604 0 D

Subtotal (add lines A, B, C, and D) 1,651,641 E

Deduct:

Small business deduction from line 430 of page 4		0	9
Federal tax abatement	608	422,199	
Manufacturing and processing profits deduction from amount BB or amount RR of Schedule 27	616	0	
Investment corporation deduction	620	0	
(taxed capital gains 624 0)			
Additional deduction – credit unions from Schedule 17	628	0	
Federal foreign non-business income tax credit from Schedule 21	632	0	
Federal foreign business income tax credit from Schedule 21	636	0	
Accelerated tax reduction from amount N of page 4	637	0	
Resource deduction from line 438 of page 5		0	10
General tax reduction for CCPCs from amount R of page 5	638	211,099	
General tax reduction from amount CC of page 5	639	0	
Federal logging tax credit from Schedule 21	640	0	
Federal political contribution tax credit	644	0	
Federal political contributions 646 0			
Federal qualifying environmental trust tax credit	648	0	
Investment tax credit from Schedule 31	652	0	
Subtotal		633,298	633,298 F

Part I tax payable – Line E minus line F (enter amount G on line 700 of page 8) ..... 1,018,343 G

Summary of tax and credits

Federal tax

Part I tax payable from page 7	700	1,018,343
Part I.3 tax payable from Schedule 33, 34, or 35	704	145,477
Part II surtax payable from Schedule 46	708	0
Part IV tax payable from Schedule 3	712	0
Part IV.1 tax payable from Schedule 43	716	0
Part VI tax payable from Schedule 38	720	0
Part VI.1 tax payable from Schedule 43	724	0
Part XIII.1 tax payable from Schedule 92	727	0
Part XIV tax payable from Schedule 20	728	0
Total federal tax		1,163,820

Add provincial and territorial tax:

Provincial or territorial jurisdiction 750 ON
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)

Net provincial and territorial tax payable (except Quebec, Ontario, and Alberta)	760	0	
Provincial tax on large corporations (New Brunswick and Nova Scotia)	765	0	
		0	0
Total tax payable	770		1,163,820 A

Deduct other credits:

Investment tax credit refund from Schedule 31	780	0	
Dividend refund from page 6	784	0	
Federal capital gains refund from Schedule 18	788	0	
Federal qualifying environmental trust tax credit refund	792	0	
Canadian film or video production tax credit refund from Form T1131	796	0	
Film or video production services tax credit refund from Form T1177	797	0	
Tax withheld at source	800	0	
Total payments on which tax has been withheld 801		0	
Allowable refund for non-resident-owned investment corporations from Schedule 26	804	0	
Provincial and territorial capital gains refund from Schedule 18	808	0	
Provincial and territorial refundable tax credits from Schedule 5	812	0	
Royalties deductible under Syncrude Remission Order 815		0	
Tax remitted under Syncrude Remission Order	816	0	
Tax instalments paid	840	1,081,751	
Total credits	890	1,081,751	1,081,751 B
Balance (line A minus line B)			82,069

Refund code 894 0 Overpayment 0

If the result is negative, you have an **overpayment**.
If the result is positive, you have a **balance unpaid**.
Enter the amount on whichever line applies.
We do not charge or refund a difference of $2 or less.

Balance unpaid 82,069

Enclosed payment 898 82,069

Direct deposit request

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:

☐ Start ☐ Change information 910 _____ Branch number

914 _____ Institution number 918 _____ Account number

If the corporation is a Canadian-controlled private corporation throughout the taxation year, does it qualify for the one-month extension of the date the balance of tax is due? 896 1 Yes ☐ 2 No ☒

Certification

I, 950 Singh (Last name in block letters) 951 Albert (First name in block letters) 954 VP Finance & CEO (Position, office, or rank)

am an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I further certify that the method of calculating income for this taxation year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.

955 _____ Date (yyyy/mm/dd) _____ Signature of the authorized signing officer of the corporation 956 519-886-5090 Telephone number

Is the contact person the same as the authorized signing officer? If *No*, complete the information below 957 1 Yes ☒ 2 No ☐

958 _____ Name in block letters 959 _____ Telephone number

Language of correspondence - Langue de correspondance

990 Indicate the language of your choice. Indiquer la langue de correspondance de votre choix. 1 English/Anglais ☒ 2 Français/French ☐

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

NET INCOME (LOSS) FOR INCOME TAX PURPOSES

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes.
- Please provide us with the applicable details in the identification area, and complete the applicable lines that contain a numbered black box. You should report amounts in accordance with the Generally Accepted Accounting Principles (GAAP).
- Sections, subsections, and paragraphs referred to an this schedule are from the "Income Tax Act."
- For more information, see the "T2 Corporation Income Tax Guide."

Net income (loss) after taxes and extraordinary items per financial statements				2,324,566 A

Additions:

Provision for income taxes - current		101	1,702,060	
Amortization of tangible assets		104	5,884,797	
Political donations	560			
Total	560	114	560	
Non-deductible meals and entertainment expenses		121	8,670	
Reserves from financial statements - balance at the end of the year		126	2,983,812	
Subtotal of additions			10,579,899	10,579,899

Other Additions:

Miscellaneous Other Additions:

Subtotal of Other Additions		199	0	0
Total Additions		500	10,579,899	10,579,899

T2 SCH 1 E (01)

Deductions:

Gain on disposal of assets per financial statements	401	50,507	
Capital cost allowance from Schedule 8	403	5,821,538	
Reserves from financial statements-balance at the beginning of the year	414	2,810,433	
Subtotal of Deductions		8,682,478	8,682,478

Other Deductions:

Miscellaneous Other Deductions:

Subtotal of Other Deductions	499	0	0
Total Deductions	510	8,682,478	8,682,478

Net income (loss) for income tax purposes (enter on line 300 on the T2 return)	4,221,987

Summary of Capital Cost Allowance

Is the corporation electing under regulation 1101(5q)? [101] N

Class No. [200]	UCC at Beginning of Year [201]	Cost of Additions During Year [203]	Adjustments [205]	Lesser of Cost or Proceeds [207]	1/2 of [203]-[207] [211]	Rate % [212]	Recapture of Capital Cost Allowance [213]	Terminal Loss [215]	Capital Cost Allowance [217]	Undepreciated Capital Cost end of year [220]
1	89,653,189	4,189,472	0	0	2,094,736	4	0	0	3,669,917	90,172,744
8	4,772,625	429,372	0	514	214,429	20	0	0	997,411	4,204,072
10	3,604,368	399,928	0	49,993	174,967	30	0	0	1,133,801	2,820,502
12	0	40,817	0	0	20,408	100	0	0	20,409	20,408
Total	98,030,182	5,059,589	0	50,507	2,504,540		0	0	5,821,538	97,217,726

Waterloo North Hydro Inc.
Account/Business No.: 865844575RC0001 Year Ended: 2003-12-31
RELATED AND ASSOCIATED CORPORATIONS

This schedule is to be completed by a corporation having one or more of the following:
- related corporation(s)
- associated corporation(s)

Name	Ctry of resi-dence	Business Number (Note)	Rela-tion-ship Code	Number of common shares owned	% of common shares owned	Number of preferred shares owned	% of pre-ferred shares owned	Book value of capital stock
[100]	[200]	[300]	[400]	[500]	[550]	[600]	[650]	[700]
WATERLOO NORTH HYDRO HOLDING			1	0	0.00	0	0.00	0

Note: Enter "NR" if a corporation is not registered.

Relationship code:

1 - Parent 2 - Subsidiary 3 - Associated 4 - Related, but not associated

The relationship code represents the relationship that the corporation named has to the filing corporation. For example, if the corporation is the parent corporation of the filing corporation, then the relationship code is "1".

Schedule 9

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

CONTINUITY OF RESERVES

- For use by corporations to provide a continuity of all reserves claimed which are allowed for tax purposes.
- References to parts, sections, subsections, paragraphs, and subparagraphs are from the federal "Income Tax Act".
- File one completed copy of this schedule with the corporation's "T2 Corporation Income Tax Return".
- For more information, see the "T2 Corporation Income Tax Guide".

Part 1 - Capital gains reserves

Description of property 001	Balance at the beginning of the year $ 002	Transfer on amalgamation or wind-up of subsidiary $ 003	Add $	Deduct $	Balance at the end of the year $ 004
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
Totals 008	0 009	0	0	0 010	0

The total capital gains reserve at the beginning of the taxation year plus the total capital gains reserve transfer on amalgamation or wind-up of subsidiary should be entered on line 880, and the total capital gains reserve at the end of the taxation year, should be entered on line 885 of Schedule 6.

Financial Statement Reserves (not deductible)

Description	Balance at the beginning of the year	Transfer on amalgamation or wind-up of subsidiary	Add	Deduct	Balance at the end of the year
VESTED SICK LEAVE	245,265	0	0	11,450	233,815
POST EMPLOYMENT BENEFITS	2,465,168	0	180,829	0	2,645,997
ALLOWANCE FOR DOUBTFUL ACCTS	100,000	0	4,000	0	104,000
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
Reserves From Section 2 below	0	0	0	0	0
Totals	2,810,433	0	184,829	11,450	2,983,812

The total opening balance plus the total transfers should be entered on line 414 of Schedule 1 as a deduction.
The total closing balance should be entered on line 126 of Schedule 1 as an addition.

Part 2 - Other reserves

Description	[X]		Balance at the beginning of the year		Transfer on amalgamation or wind-up of subsidiary	Add	Deduct		Balance at the end of the year
			$		$	$	$		$
Reserve for doubtful debts	[ ]	110	0	115	0	0	0	120	0
Reserve for undelivered goods and services not rendered	[ ]	130	0	135	0	0	0	140	0
Reserve for prepaid rent	[ ]	150	0	155	0	0	0	160	0
Reserve for December 31, 1995 income	[ ]	170	0	175	0	0	0	180	0
Reserve for refundable containers	[ ]	190	0	195	0	0	0	200	0
Reserve for unpaid amounts	[ ]	210	0	215	0	0	0	220	0
Other tax reserves	[ ]	230	0	235	0	0	0	240	0
Totals		270	0	275	0	0	0	280	0

Enter "X" in the column above if the tax reserve has also been reported on the corporation's financial statements. This allows offsetting entries on Schedule 1, resulting in a zero effect on net income for tax purposes.

The amount from line 270 plus the amount from line 275 should be entered on line 125 of Schedule 1 as an addition.

The amount from line 280 should be entered on line 413 of Schedule 1 as a deduction.

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

AGREEMENT AMONG ASSOCIATED CANADIAN-CONTROLLED PRIVATE CORPORATIONS TO ALLOCATE THE BUSINESS LIMIT

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to assign a percentage for each associated corporation. This percentage will be used to allocate the business limit for purposes of the small business deduction. Information from this schedule will also be used to determine the date the balance of tax is due and to calculate the reduction to the business limit.

- An associated CCPC that has more than one taxation year ending in a calendar year, is required to file an agreement for each taxation year ending in that calendar year.

Column 1: Enter the legal name of each of the corporations in the associated group, including non-CCPCs and CCPCs that have filed an election under subsection 256(2) of the "Income Tax Act," not to be associated for purposes of the small business deduction.

Column 2: Provide the Business Number for each corporation (if a corporation is not registered, enter "NR").

Column 3: Enter the code that applies to each corporation:

1 - associated for purposes of allocating the business limit (unless association code 5 applies)
2 - CCPC that is a "third corporation" that has elected under subsection 256(2) not to be associated for purposes of the small business deduction
3 - non-CCPC that is a "third corporation" as defined in subsection 256(2)
4 - associated non-CCPC
5 - associated CCPC that is not associated for purposes of allocating the business limit because of a subsection 256(2) election made by a "third corporation"

Column 4: Enter the business limit for the year of each corporation in the associated group that is computed at line 4 on page 4 of each respective corporation's T2 return.

Column 5: Assign a percentage to allocate the business limit to each corporation that has an association code 1 in column 3. The total of all percentages in column 5 cannot exceed 100%.

Column 6: Enter the business limit allocated to each corporation by multiplying the amount in column 4 times the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A. Ensure that the total at line A is equal to an amount in one of the following ranges, whichever applies:

- from $200,001 to $225,000, if the calendar year to which this agreement applies is 2003;
- from $225,001 to $250,000, if the calendar year to which this agreement applies is 2004;
- from $250,001 to $275,000, if the calendar year to which this agreement applies is 2005; or
- from $275,001 to $300,000, if the calendar year to which this agreement applies is 2006.

If the calendar year to which this agreement applies is after 2006, ensure that the total at line A does not exceed $300,000.

Column 7: Complete this column for a CCPC that has more than one taxation year ending in a calendar year, and is associated in more than one of those years with another CCPC that has a taxation year ending in the same calendar year. Enter the taxation year to which this agreement applies.

Allocation of the business limit

Date filed (do not use this area) ..... 025 Year Month Day

Enter the calendar year to which the agreement applies ..... 050 Year 2003

Is this an amended agreement for the above-noted calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? ..... 075 [Y/N] [N]

1	2	3	4	5	6	7
Names of associated corporations	Business Number of associated corporations	Asso-ciation code	Business limit for the year (before the allocation) $	Percentage of the business limit %	Business limit allocated* $	Taxation year end to which this agreement applies (YYYY/MM/DD)
100	200	300		350	400	500
Waterloo North Hydro Inc.	865844575RC0001	1	225,000	100.0000	225,000	
See attached				.0000	0	
			Total	100.0000	225,000 A	

* The % of the annual business limit required to maximize the small business deduction is .0000%.

100.0000% of the annual business limit can be attributed to an associated corporation.

Business limit reduction under subsection 125(5.1)

The business limit reduction is calculated in the small business deduction area of the T2 return. One of the amounts used in this calculation is the "Large corporation tax" at line 415 of the T2 return. If the corporation is a member of an associated group*** of corporations in the current taxation year, and that taxation year:

- starts before December 21, 2002, the amount at line 415 of the T2 return is equal to the gross Part I.3 tax of each corporation in the associated group*** for its last taxation year ending in the preceding calendar year. The gross Part I.3 tax is the amount before deducting the surtax credits, which is increased to reflect a full-year tax liability if the taxation year is less than 51 weeks; or
- starts after December 20, 2002, the amount at line 415 of the T2 return is equal to 0.225% x (A - $10,000,000) where, "A" is the total of taxable capital employed in Canada** of each corporation in the associated group*** for its last taxation year ending in the preceding calendar year.

* Each corporation will enter on line 410 of the T2 return, the amount allocated to it in column 6. However, if the corporation's taxation year is less than 51 weeks, prorate the amount in column 6 by the number of days in the taxation year divided by 365, and enter the result on line 410 of the T2 return.

** "Taxable capital employed in Canada" has the meaning assigned by subsection 181.2(1) or 181.3(1) or section 181.4 of the "Income Tax Act."

*** The associated group includes the corporation filing this schedule and each corporation that has an "association code" of 1 or 4 in column 3.

AGREEMENT AMONG ASSOCIATED CCPC's TO ALLOCATE THE BUSINESS LIMIT

1	2	3	4	5	6	7	8
Name of associated corporation [100]	Business Number of associated corporation [200]	Association code [300]	Business limit (before the allocation)	Percentage of the business limit % [350]	Business limit allocated $ [400]	Taxation year end to which this agreement applies [500]	Part I.3 Tax
WATERLOO NORTH HYDRO HOLDING			0	.0000	0		0
TOTALS			0	.0000	0		0

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

PART I.3 TAX ON LARGE CORPORATIONS

- This schedule is for use by corporations (other than financial institutions and insurance corporations) that have Part I.3 tax payable before deducting surtax credits (line 820 in Part 5). You should also use and file this schedule if you calculate a **gross Part I.3 tax for the purposes or unused surtax credit** (line 821 in Part 6) and a **current-year unused surtax credit** (line 850 in Part 8).
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the federal "Income Tax Act" and the "Income Tax Regulations."
- Subsection 181(1) defines the terms "financial institution," "long-term debt," and "reserves."
- Subsection 181(3) provides the basis to determine the carrying value of a corporation's assets or any other amount under Part I.3 for its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or for a partnership in which it has an interest.
- No Part I.3 tax is payable for a taxation year by a corporation that was:
  1) a non-resident-owned investment corporation throughout the year;
  2) bankrupt [as defined by subsection 128(3)] at the end of the year;
  3) a deposit insurance corporation throughout the year, as defined by subsection 137.1(5), or deemed to be a deposit insurance corporation by subsection 137.1(5.1);
  4) exempt from tax under section 149 throughout the year on all of its taxable income;
  5) neither resident in Canada nor carrying on a business through a permanent establishment in Canada at any time in the year; or
  6) a corporation described in subsection 136(2) throughout the year, the principal business of which was marketing (including any related processing) natural products belonging to or acquired from its members or customers.
- File the completed Schedule 33 with the "T2 Corporation Income Tax Return" no later than six months from the end of the taxation year.
- This schedule may contain changes that had not yet become law at the time of printing.

Complete the following areas to determine the amounts needed to calculate Part I.3 tax. If the corporation was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 4, "Taxable capital employed in Canada."

Part 1 - Capital

Add the following amounts at the end of the year:

Reserves that have not been deducted in computing income for the year under Part I	101	2,983,812
Capital stock (or members' contributions if incorporated without share capital)	103	24,370,424
Retained earnings	104	9,877,896
Contributed surplus	105	0
Any other surpluses	106	0
Deferred unrealized foreign exchange gains	107	0
All loans and advances to the corporation	108	60,040,422
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109	0
Any dividends declared but not paid by the corporation before the end of the year	110	0
All other indebtedness of the corporation (other than any indebtedness in respect of a lease) that has been outstanding for more than 365 days before the end of the year	111	0

Part 1 - Capital (cont'd)

Proportion of the amount, if any, by which the total of all amounts (see note below) for the partnership of which the corporation is a member at the end of the year exceeds the amount of the partnership's deferred unrealized foreign exchange losses	112	0		
	Subtotal	97,272,554	97,272,554	A
Deduct the following amounts:				
Deferred tax debit balance at the end of the year	121	0		
Any deficit deducted in computing its shareholders' equity (including, for this purpose, the amount of any provision for the redemption of preferred shares) at the end of the year	122	0		
Any amount deducted under subsection 135(1) in computing income under Part I for the year, to the extent that the amount may reasonably be regarded as being included in any of lines 101 to 112 above	123	0		
The amount of deferred unrealized foreign exchange losses at the end of the year	124	0		
	Subtotal	0	0	B
Capital for the year (amount A minus amount B) (if negative, enter "0")	190		97,272,554	

Note:

Lines 101, 107, 108, 109, 111, and 112 are determined as follows:

- If the partnership is a member of another partnership (tiered partnerships), include the amounts of the partnership and tiered partnerships.
- Amounts for the partnership and tiered partnerships are those that would be determined under lines 101, 107, 108, 109, 111, and 112 as if they apply in the same way that they apply to corporations.
- Amounts owing to the member or to other corporations that are members of the partnership are not to be included.
- Amounts are determined as at the end of the last fiscal period of the partnership ending in the year of the corporation.
- The proportion of the total amounts is determined by the corporation's share of the partnership's income or loss for the fiscal period of the partnership.

Part 2 - Investment allowance

Add the carrying value at the end of the year of the following assets of the corporation:		
A share of another corporation	401	0
A loan or advance to another corporation (other than a financial institution)	402	1,600,000
A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution)	403	0
Long-term debt of a financial institution	404	0
A dividend receivable on a share of the capital stock of another corporation	405	0
A loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim, or similar obligation of, a partnership all of the members of which, throughout the year, were other corporations (other than financial institutions) that were not exempt from tax under Part I.3 (other than by reason of paragraph 181.1(3)(d))	406	0
An interest in a partnership (see note 1 below)	407	0
Investment allowance for the year	490	1,600,000

Part 2 - Investment allowance (cont'd)

Notes:

1) Where the corporation has an interest in a partnership or tiered partnerships, consider the following:
   - the investment allowance of a partnership is deemed to be the amount calculated at line 490 above, at the end of its fiscal period, as if it was a corporation;
   - the total of the carrying value of each asset of the partnership described in the above lines is for its last fiscal period ending at or before the end of the corporation's taxation year; and
   - the carrying value of a partnership member's interest at the end of the year is its specified proportion [as defined in subsection 248(1)] of the partnership's investment allowance.

2) Lines 401 to 405 should not include the carrying value of a share of the capital stock of, a dividend payable by, or indebtedness of a corporation that is exempt from tax under Part I.3 [other than by reason of paragraph 181.1(3)(d)].

3) Where a trust is used as a conduit for loaning money from a corporation to another related corporation (other than a financial institution), the loan will be considered to have been made directly from the lending corporation to the borrowing corporation, according to subsection 181.2(6).

Part 3 - Taxable capital

Capital for the year (line 190)		97,272,554	C
Deduct: Investment allowance for the year (line 490)		1,600,000	D
Taxable capital for the year (amount C minus amount D) (if negative, enter "0")	500	95,672,554	

Part 4 - Taxable capital employed in Canada

To be completed by a corporation that was resident in Canada at any time in the year

Taxable capital for the year (line 500)	95,672,554	X	Taxable income earned in Canada / Taxable income	610	4,221,987 / 4,221,987 =	**Taxable capital employed in Canada**	690	95,672,554

Notes:
1) Regulation 8601 gives details on calculating the amount of taxable income earned in Canada.
2) Where a corporation's taxable income for a taxation year is "0," it shall, for the purposes of the above calculation, be deemed to have a taxable income for that year of $1,000.
3) In the case of an airline corporation, Regulation 8601 should be considered when completing the above calculation.

Part 4 - Taxable capital employed in Canada (cont'd)

To be completed by a corporation that was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada

Total of all amounts each of which is the carrying value at the end of the year of an asset of the corporation used in the year or held in the year, in the course of carrying on any business it carried on during the year through a permanent establishment in Canada	701		0
Deduct the following amounts:			
Corporation's indebtedness at the end of the year [other than indebtedness described in any of paragraphs 181.2(3)(c) to (f)] that may reasonably be regarded as relating to a business it carried on during the year through a permanent establishment in Canada	711	0	
Total of all amounts each of which is the carrying value at the end of year of an asset described in subsection 181.2(4) of the corporation that it used in the year, or held in the year, in the course of carrying on any business it carried on during the year through a permanent establishment in Canada	712	0	
Total of all amounts each of which is the carrying value at the end of year of an asset of the corporation that is a ship or aircraft the corporation operated in international traffic, or personal property used or held by the corporation in carrying on any business during the year through a permanent establishment in Canada (see note below)	713	0	
Total deductions (add lines 711, 712, and 713)		0	0 E
Taxable capital employed in Canada (line 701 minus amount E) (if negative, enter "0")	790		0

Note: Complete line 713 only if the country in which the corporation is resident did not impose a capital tax for the year on similar assets, or a tax for the year on the income from the operation of a ship or aircraft in international traffic, of any corporation resident in Canada during the year.

Part 5 - Calculation of gross Part I.3 tax

Taxable capital employed in Canada (line 690 or 790, whichever applies)			95,672,554
Deduct: Capital deduction claimed for the year (enter $50,000,000 or, for related corporations, the amount allocated on Schedule 36)	801	10,000,000	
Excess of taxable capital employed in Canada over capital deduction	811	85,672,554	

Year	Line 811		Number of days		Number of days in the taxation year				
Before 2004	85,672,554	x	(365	/	365)	x	.2250%	=	192,763 F
2004	85,672,554	x	(0	/	365)	x	.2000%	=	0 G
2005	85,672,554	x	(0	/	365)	x	.1750%	=	0 H
2006	85,672,554	x	(0	/	365)	x	.1250%	=	0 I
2007	85,672,554	x	(0	/	365)	x	.0625%	=	0 J

Note: The Part I.3 tax rate is reduced to 0% for the days in the taxation year that are after 2007.

Subtotal (add amounts F to J) 192,763 K

Where the taxation year of a corporation is less than 51 weeks, calculate the amount of gross Part I.3 tax as follows:

Amount K 192,763 x (Number of days in the year 365 / 365) = 0 L

Gross Part I.3 tax (amount K or L, whichever applies)	820	192,763

Part 6 - Calculation of gross Part I.3 tax for purposes of the unused surtax credit

Taxable capital employed in Canada (line 690 or 790, whichever applies)	95,672,554	M
Deduct: Capital deduction claimed for the year (1/5 of line 801 if the taxation year end after 2003)	10,000,000	N
Excess (amount M minus amount N) (if negative, enter "0")	85,672,554	O

Amount O 85,672,554 x .2250% = 192,763 P

Where the taxation year of a corporation is less than 51 weeks, calculate the amount of gross Part I.3 tax for purposes of the unused surtax credit as follows:

Amount P 192,763 x (Number of days in the year 365 / 365) = 0 Q

Gross Part I.3 tax for purposes of the unused surtax credit (amount P or Q, whichever applies) 821 192,763

Part 7 - Calculation of current-year surtax credit available

- Corporations can claim a credit against their Part I.3 tax for the amount of Canadian surtax payable for the year. This is called the surtax credit.
- Any unused surtax credit can be carried back three years or carried forward seven years. Unused surtax credits must be applied in order of the oldest first.
- Refer to subsection 181.1(7) of the Act when calculating the amount deductible for a corporation's unused surtax credits where control of the corporation has been acquired between the year in which the credits arose and the year in which you want to claim them.

For a corporation that was a non-resident of Canada throughout the year, enter amount **a** or **b** at line R, whichever is less:

a) line 600 from the T2 return	0 **a**		
b) line 700 from the T2 return	0 **b**	0	R

In any other case, enter amount **c** or **d** at line S, whichever is less:

c) line 600 from the T2 return 47,286 x (line 690 of this schedule 95,672,554 / line 500 of this schedule 95,672,554) = 47,286 **c**

d) line 700 from the T2 return 1,018,343 **d** 47,286 S

Current-year surtax credit available (amount R or S, whichever applies) 830 47,286

Part 8 - Calculation of current-year unused surtax credit

Current-year surtax credit available (line 830)	47,286
Less: Gross Part I.3 tax for purposes of the unused surtax credit (line 821)	192,763
Current-year unused surtax credit (if negative, enter "0") 850	0

Enter this amount at line 600 on Schedule 37.

Part 9 - Calculation of net Part I.3 tax payable

Gross Part I.3 tax (line 820)			192,763 T
Deduct:			
Current-year surtax credit applied (line 820 or 830, whichever is less)	861	47,286	
Unused surtax credit form previous years applied (amount from line 320 on Schedule 37)	862	0	
Subtotal (cannot be more than amount on line 820)		47,286	47,286 U
Net Part I.3 tax payable (amount T minus amount U)	870		145,477

Enter this amount at line 704 of the T2 return.

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

AGREEMENT AMONG RELATED CORPORATIONS - PART I.3 TAX

- Members of a related group of corporations should use this schedule to allocate the capital deduction of $10,000,000 or $50,000,000 among the members of the related group.
  Do not file this agreement if no members of the related group have to pay Part I.3 tax.

Are any members of the related group liable to pay Part I.3 tax? ..... [Y/N] [Y]

- In cases where a related corporation has more than one taxation year ending in a calendar year, it has to file an agreement for each of those taxation years.

- A corporation that is related to any other corporation at any time in a taxation year of the corporation that ends in a calendar year may file such an agreement.

- In accordance with subsection 181.5(7) of the federal "Income Tax Act", a Canadian-controlled private corporation is not considered to be related to another corporation for purposes of the capital deduction unless it is also associated with that corporation.

- Attach additional schedules if space for agreement is not sufficient.

Agreement

		Year Month Day
Date filed (do not use this area)	010	
Is this an amended agreement?	020	[Y/N] [N]
Calendar year to which the agreement applies	030	Year 2003

Note: This agreement must include all the information indicated below for all members of the related group, including members to which no amount of capital deduction is allocated for the year. However, any member that is exempt from Part I.3 tax under subsection 181.1(3) does not have to be included.

Names of all corporations which are members of the related group	Business Number (Note 1)	Allocation of capital deduction for the year $	Taxation year end to which this agreement applies (Note 2)
200	300	400	500
Waterloo North Hydro Inc.	865844575RC0001	10,000,000	
See attached		0	
Total (Before 2004 must not exceed $10,000,000 After 2003 must not exceed $50,000,000)		10,000,000	

Note 1: If a corporation is not registered, enter "NR."

Note 2: Entries are only required in this column for a corporation that has more than one taxation year ending in the same calendar year and is related in two or more of those taxation years to another corporation that has a taxation year ending in that calendar year. The capital deduction of the first corporation for each such taxation year at the end of which it is related to the other corporation is an amount equal to its capital deduction for the first such taxation year. Enter the taxation year end to which this agreement applies.

Account/Business No.: 865844575RC0001 Year Ended: 2003-12-31

AGREEMENT AMONG RELATED CORPORATIONS - PART I.3 TAX

- Members of a related group of corporations should use this schedule to allocate the capital deduction of $10,000,000 or $50,000,000 among the members of the related group.
- In accordance with subsection 181.5(7) of the federal "Income Tax Act," a Canadian-controlled private corporation is not considered to be related to another corporation for purposes of the capital deduction unless it is also associated with that corporation.

Names of all corporations which are members of the related group [200]	Business Number (Note 1) [300]	Allocation of capital deduction for the year [400]	Taxation year end to which this agreement applies (Note 2) [500]
WATERLOO NORTH HYDRO HOLDING		0	
TOTAL		0	

Note 1: If a corporation is not registered, enter "NR."

Note 2: Entries are only required in this column for a corporation that has more than one taxation year ending in the same calendar year and is related in two or more of those taxation years to another corporation that has a taxation year ending in that calendar year. The capital deduction of the first corporation for each such taxation year at the end of which it is related to the other corporation is an amount equal to its capital deduction for the first such taxation year. Enter the taxation year end to which this agreement applies.

Schedule 36 - Supplementary

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

SHAREHOLDER INFORMATION

All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

Name of shareholder	Business Number (note 1)	Social Insurance Number (note 2)	Percentage common shares	Percentage preferred shares
100	200	300	400	500
WATERLOO NORTH HYDRO HOLDING CORPORATION			100.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00

Note 1: If a corporate shareholder does not have a business number, NR must be entered to indicate the corporation is not registered.

Note 2: If an individual shareholder does not have a social insurance number, NA must be entered to indicate the SIN is not available.

Note 3: If a trust holds 10% or more of the corporation's common or preferred shares, enter "NR" for the business number and, if space permits, enter the trust's name and account number. Do not enter anything in the "SIN" column.

Schedule of Instalment Remittances

Name of Corporation Contact: . . . . . ALBERT SINGH
Telephone Number: 519-886-5090

Effective Interest Date	Description (Instalment Remittance, Split Payment, Assessed Credit)	Amount of Credit
	INSTALMENTS	1,081,751
		0
		0
		0
		0
		0
		0
		0
		0
		0
		0
		0
	Total amount of instalments claimed (A)	1,081,751
	Total instalments credited to the taxation year per T9 (B)	1,081,751

TRANSFER

Account Number	Taxation Year End	Amount	Effective Interest Date	Description
From:				
		0		
To:				

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

BUSINESS CONSENT FORM

Use this form to consent to the release of confidential information about your Business Number (BN) account(s) to the representative named below, or to cancel consent for an existing representative.

- Complete Parts 1, 2, and 5 to name a representative.
- Complete Parts 3, 4, and 5 to cancel consent for an existing representative.
- Complete all parts of this form if you want to both name a new representative and cancel consent for an existing representative.

If you have questions, such as where to send this form, call us at 1-800-959-5525.

Part 1 - Consent to release of information to a representative

Client's name: Waterloo North Hydro Inc. Business Number: 865844575RC0001

I consent to the release of confidential information about my BN account(s) by the Canada Customs and Revenue Agency to the representative named below.

KPMG LLP

Representative's name (If a firm, enter the name of the firm. If an individual, enter the first and last name of the individual.)

If you named a firm as your representative, and you want to specify a particular individual of that firm, enter that individual's first and last name.

519-747-8800 Representative's telephone number | Extension | 519-747-8890 Representative's fax number

Part 2 - Details of consent

A. Which accounts?

I request that this consent apply to all accounts. [X] OR

I request that this consent apply only to the following accounts.

(Check the appropriate box or boxes. If you wish to authorize access to more than one account of the same type, for example RP0002 and RP0003, please print the account numbers in the spaces provided.)

Corporate income tax	RC0001	[ ]	RC	RC
GST/HST	RT0001	[ ]	RT	RT
Payroll deductions	RP0001	[ ]	RP	RP
Import/Export	RM0001	[ ]	RM	RM

B. Which years?

I request that this consent apply to all years. [X] OR

I request that this consent apply only to the following years:

1. All year-ends up to: Year Month Day

2. All year-ends beginning in: Year Month Day and all years after that.

3. The following year-ends only: Year Month Day | Year Month Day | Year Month Day | Year Month Day

Part 3 - Cancellation of consent to release of information to a representative

Client's name: Waterloo North Hydro Inc. Business Number: 865844575RC0001

I cancel all previous consents for all representatives. ☐ OR

I cancel my consent to the release of confidential information about my BN account(s) by the Canada Customs and Revenue Agency to the representative named below.

Representative's name (If a firm, enter the name of the firm. If an individual, enter the first and last name of the individual.)

If you named a firm as your representative, and you want to cancel the consent for a particular individual of that firm, enter that individual's first and last name.

Representative's telephone number

Representative's fax number

Part 4 - Details of cancellation of consent

A. Which accounts?

I request that this cancellation of consent apply to all accounts. ☐ OR

I request that this cancellation of consent apply only to the following accounts.

(Check the appropriate box or boxes. If you wish to cancel access to more than one account of the same type, for example RP0002 and RP0003, please print the account numbers in the spaces provided.)

Corporate income tax	RC0001	☐	RC		RC		
GST/HST	RT0001	☐	RT		RT		
Payroll deductions	RP0001	☐	RP		RP		
Import/Export	RM0001	☐	RM		RM		

B. Which years?

I request that this cancellation of consent apply to all years. ☐ OR

I request that this cancellation of consent apply only to the following years:

1. All year-ends up to: Year Month Day

2. All year-ends beginning in: Year Month Day and all years after that.

3. The following year-ends only: Year Month Day Year Month Day

Year Month Day Year Month Day

Part 5 - Signature

Print your name Albert Singh Title VP Finance & CEO

This form must be signed by an owner, partner, director, trustee, or officer.

Sign here Date Year Month Day

WE WILL NOT PROCESS THIS FORM IF IT IS NOT SIGNED

Ontario

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

2003 CT23 Corporations Tax and Annual Return

For taxation years commencing after September 30, 2001

CLIENT'S COPY

Corporations Tax Act - Ministry of Finance (MOF)
Corporations Information Act - Ministry of Consumer and Business Services (MCBS)
(formerly Ministry of Consumer and Commercial Relations)

This return is a combination of the Ministry of Finance (MOF) CT23 Corporations Tax Return and the Ministry of Consumer and Business Services (MCBS) Annual Return. Page 1 is a common page required for both returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the Exempt from Filing (EFF) declaration on page 2 or file the CT23 Return on pages 3-17, together with the applicable schedules on pages 18-21. Corporations that do not meet the EFF criteria but do meet the Short-Form criteria, may request and file the CT23 Short-Form Return (see page 2).

The Annual Return (common page 1 and MCBS Schedule A on pages 22 and 23, and Schedule K on page 24) contains non-tax information collected under the authority of the *Corporations Information Act* for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

MCBS Annual Return Required? *(Not required if already filed or Annual Return exempt. Refer to Guide)* [X] Yes [ ] No

Ministry Use

Corporation's Legal Name *(including punctuation)*

Waterloo North Hydro Inc.

Ontario Corporations Tax Account No. (MOF)

1404168

Mailing Address

300 Northfield Drive East
Box 640
Waterloo
ON CA N2J-4A3

This CT23 Return covers the Taxation Year

Start: year month day 2003-01-01

End: year month day 2003-12-31

Has the mailing address changed since last filed CT23 Return? [ ] Yes

Date of Change: year month day

Date of Incorporation or Amalgamation

year month day 2000-03-01

Registered/Head Office Address

300 Northfield Drive East
Box 640
Waterloo
ON CA N2J-4A3

Ontario Corporation No. (MCBS)

Location of Books and Records

300 Northfield Drive East
Waterloo
ON CA N2J-4A3

Canada Customs and Revenue Agency (formerly Revenue Canada) Business No.

If applicable, enter 865844575RC0001

Name of person to contact regarding this CT23 Return	Telephone No.	Fax No.
Albert Singh	519-886-5090	

Jurisdiction Incorporated: Ontario

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

ON CA -

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

Commenced: year month day

Ceased: year month day

Former Corporation Name *(Extra-Provincial Corporations only)* [X] *Not Applicable* (MCBS)

[X] *Not Applicable*

Preferred Language/*Langue de préférence*

[X] English *anglais* [ ] French *français*

Information on Directors/Officers/Administrators must be completed on MCBS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS).

No. of Schedule(s): 8

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

[ ] No change

Ministry use

Certification (MCBS)

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

Name of Authorized Person *(Print clearly or type in full)*

Albert Singh

Title: D [ ] Director O [X] Officer P [ ] Other individual having knowledge of the affairs of the Corporation

Note: Sections 13 and 14 of the *Corporations Information Act* provide penalties for making false or misleading statements or omissions.

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Waterloo North Hydro Inc.	1404168	2003-12-31

CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

Type of Corporation – Please "X" box(es) if applicable in sections 1 & 2

1 [X] 1 Canadian-controlled Private (CCPC) all year (Generally a private corporation of which 50% or more shares are owned by Canadian residents.) (fed.s.125(7)(b))

2 [ ] Other Private

3 [ ] Public

4 [ ] Non-share Capital

5 [ ] Other (specify)

Share Capital with full voting rights owned by Canadian Residents (nearest percent) 100%

2

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

Ontario Retail Sales Tax Vendor Permit No. (Use Head Office no.)
if applicable, enter

Ontario Employer Health Tax Account No. (Use Head Office no.)
if applicable, enter

Specify major business activity

Please "X" box(es) if applicable:

[ ] First Year of Filing
[ ] Amended Return
[ ] Taxation Year End has changed - Canada Customs and Revenue Agency (formerly Revenue Canada) approval required
[ ] Final Taxation Year up to Dissolution (wind-up) (Note: For discontinued businesses, see Guide.)
[ ] Final Taxation Year before Amalgamation
[ ] Floating Fiscal Year End
[ ] Transfer or Receipt of Asset(s) involving a corporation having a Canadian permanent establishment outside Ontario
[ ] Acquisition of Control fed s.249(4)

Date Control was acquired
year month day

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

Income Tax

DOLLARS ONLY

Allocation – If you carry on a business through a permanent establishment in a jurisdiction outside Ontario, you may allocate that portion of taxable income deemed earned in that jurisdiction, to that jurisdiction (s.39) (Int.B. 3008).

Net Income (loss) for Ontario purposes (per reconciliation schedule, page 15)		±	From 690	4,221,987.
Subtract: Charitable donations		–	1	0.
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property *(Attach schedule 2)*		–	2	0.
Subtract: Taxable dividends deductible, per federal T2 SCH 3		–	3	0.
Subtract: Ontario political contributions *(Attach schedule 2A)* (Int.B. 3002)		–	4	560.
Subtract: Federal Part VI.1 tax	0. X 9/3	–	5	0.
Subtract: Prior years' losses applied – Non-capital losses		–	From 704	0.
Net capital losses	From 715 (page 16) 0. X inclusion rate 50.000000% =	–	714	0.
Farm losses		–	From 724	0.
Restricted farm losses		–	From 734	0.
Limited partnership losses		–	From 754	0.
Taxable Income (Non-capital loss)		=	10	4,221,427.
Addition to taxable income for unused foreign tax deduction for federal purposes		+	11	0.
Adjusted Taxable Income 10 + 11 (if 10 is negative, enter 11)		=	20	4,221,427.

Taxable Income

Number of Days in Taxation Year

From 10 (or 20 if applicable)	4,221,427.	x 30 Ontario Allocation 100.0000%	x 12.5000%	x	Days after Sept. 30, 2001 and before Jan. 1, 2004 33 365	+	Total Days 73 365	= +	29	527,678.
From 10 (or 20 if applicable)	4,221,427.	x 30 Ontario Allocation 100.0000%	x 14.0000%	x	Days after Dec. 31, 2003 34 0	+	Total Days 73 365	= +	32	0.

Income Tax Payable (before deduction of tax credits) 29 + 32 = 40 **527,678.**

Incentive Deduction for Small Business Corporations (IDSBC) (s.41)

(If this section is not completed, the IDSBC will be denied.)

Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(5.1) not been applicable in the taxation year? (X) [X] Yes [ ] No

* Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a))			50	4,221,987.
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	+	51 4,221,987.		
Add: Losses of other years deducted for federal purposes (fed.s.111)	+	52 0.		
Subtract: Losses of other years deducted for Ontario purposes (s.34)	–	53 0.		
	=	4,221,987.	54	4,221,987.
Federal Business limit (line 410 of the T2 Return) for the year before the application of fed.s.125(5.1)		55 225,000.		

Ontario Business Limit Calculation

280,000 x	Days after Sept. 30, 2001 and before Jan. 1, 2003 28 0	** 365	= +	43	0.		
320,000 x	Days after Dec. 31, 2002 and before Jan. 1, 2004 31 365	** 365	= +	46	320,000.		
400,000 x	Days after Dec. 31, 2003 34 0	** 365	= +	47	0.	*** Percentage of Federal Business limit (from T2 Sch. 23). Enter 100% if not associated.	
Business Limit for Ontario purposes	43 + 46 + 47		=	44	320,000. x	48 100.0000 %	= 45 320,000.
Income eligible for the IDSBC			From 30		100.0000 % x	56 320,000.	= 60 320,000.

**** Ontario Allocation

Least of 50, 54 or 45

* ***Note:*** *Modified by s.41(6) and (7) for corporations that are members of a partnership. (Refer to Guide.)*

** ***Note:*** *Adjust accordingly for a floating taxation year and use 366 for a leap year.*

*** ***Note:*** *For a taxation year ending before Jan. 1, 2003, use your proportion of the associated group business limit.*

**** ***Note:*** *Ontario Allocation for IDSBC purposes may differ from* 30 *if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).*

continued on Page 5

Income Tax

DOLLARS ONLY

Allocation – If you carry on a business through a permanent establishment in a jurisdiction outside Ontario, you may allocate that portion of taxable income deemed earned in that jurisdiction, to that jurisdiction (s.39) (Int.B. 3008).

Net Income (loss) for Ontario purposes (per reconciliation schedule, page 15)	±	From	690	4,221,987.
Subtract: Charitable donations	–		1	0.
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property *(Attach schedule 2)*	–		2	0.
Subtract: Taxable dividends deductible, per federal T2 SCH 3	–		3	0.
Subtract: Ontario political contributions *(Attach schedule 2A)* (Int.B. 3002)	–		4	560.
Subtract: Federal Part VI.1 tax 0. X 9/3	–		5	0.
Subtract: Prior years' losses applied – Non-capital losses	–	From	704	0.
Net capital losses From 715 (page 16) 0. X inclusion rate 50.000000% =	–		714	0.
Farm losses	–	From	724	0.
Restricted farm losses	–	From	734	0.
Limited partnership losses	–	From	754	0.
Taxable Income (Non-capital loss)	=		10	4,221,427.
Addition to taxable income for unused foreign tax deduction for federal purposes	+		11	0.
Adjusted Taxable Income 10 + 11 (if 10 is negative, enter 11)	=		20	4,221,427.

Taxable Income

Number of Days in Taxation Year

From 10 (or 20 if applicable)	4,221,427.	x	30	100.0000% (Ontario Allocation)	x	12.5000%	x	Days after Sept. 30, 2001 and before Jan. 1, 2004: 33 365	÷	Total Days: 73 365	= +	29	527,678.
From 10 (or 20 if applicable)	4,221,427.	x	30	100.0000% (Ontario Allocation)	x	14.0000%	x	Days after Dec. 31, 2003: 34 0	÷	Total Days: 73 365	= +	32	0.

Income Tax Payable (before deduction of tax credits) 29 + 32 = 40 **527,678.**

Incentive Deduction for Small Business Corporations (IDSBC) (s.41)

(If this section is not completed, the IDSBC will be denied.)

Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(5.1) not been applicable in the taxation year? (X) [X] Yes [ ] No

* Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a))			50	4,221,987.
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	+	51 4,221,987.		
Add: Losses of other years deducted for federal purposes (fed.s.111)	+	52 0.		
Subtract: Losses of other years deducted for Ontario purposes (s.34)	–	53 0.		
	=	4,221,987.	54	4,221,987.
Federal Business limit (line 410 of the T2 Return) for the year before the application of fed.s.125(5.1)		55 225,000.		

Ontario Business Limit Calculation

280,000 x	Days after Sept. 30, 2001 and before Jan. 1, 2003: 28 0 ÷ ** 365	= +	43	0.			
320,000 x	Days after Dec. 31, 2002 and before Jan. 1, 2004: 31 365 ÷ ** 365	= +	46	320,000.			
400,000 x	Days after Dec. 31, 2003: 34 0 ÷ ** 365	= +	47	0.			
Business Limit for Ontario purposes	43 + 46 + 47	=	44	320,000.	x 48 100.0000 % (*** Percentage of Federal Business limit (from T2 Sch. 23). Enter 100% if not associated.)	= 45	320,000.
Income eligible for the IDSBC	From 30			100.0000 % (**** Ontario Allocation)	x	56 320,000. (Least of 50, 54 or 45)	= 60 **320,000.**

**** Note:*** *Modified by s.41(6) and (7) for corporations that are members of a partnership. (Refer to Guide.)*

***** Note:*** *Adjust accordingly for a floating taxation year and use 366 for a leap year.*

****** Note:*** *For a taxation year ending before Jan. 1, 2003, use your proportion of the associated group business limit.*

******* Note:*** *Ontario Allocation for IDSBC purposes may differ from 30 if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).*

continued on Page 5

Income Tax *continued from Page 4*

Calculation of IDSBC Rate

Number of Days in Taxation Year

	6.50 %	x	Days after Sept. 30, 2001 and before Jan. 1, 2003	28	0	÷	73	Total Days 365	= +	79	.0000
	7.00 %	x	Days after Dec. 31, 2002 and before Jan. 1, 2004	31	365	÷	73	Total Days 365	= +	89	7.0000
	8.50 %	x	Days after Dec. 31, 2003	34	0	÷	73	Total Days 365	= +	90	.0000

IDSBC Rate for Taxation Year [79] + [89] + [90] = [78] 7.0000

Claim From [60] 320,000. x From [78] 7.0000 % = [70] 22,400.

Corporations claiming the IDSBC must complete the Surtax section below if the corporation's taxable income (or if associated, the associated group's taxable income) is greater than the amount in [114] below.

Surtax on Canadian-controlled private corporations (s.41.1)

Applies if you have claimed the Incentive Deduction for Small Business Corporations.

** ***Short Taxation Years*** - Special rules apply where the taxation year is less than 51 weeks for the corporation and/or any corporation associated with it.
Associated Corporation - The taxable income of associated corporations is the taxable income for the taxation year ending on or before the date of this corporation's taxation year end.

** Taxable Income of the corporation From [10] (or [20] if applicable) + [80] 4,221,427.

If you are a member of an associated group (X) [81] [X] (Yes)

Name of associated corporation (Canadian & foreign) *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	** Taxable Income (if loss, enter nil)	
See attached			+ [82]	0.
			+ [83]	.
			+ [84]	.

Aggregate Taxable Income [80] + [82] + [83] + [84], etc. = [85] 4,221,427.

Number of Days in Taxation Year

Subtract: 280,000	x	Days after Sept. 30, 2001 and before Jan. 1, 2003	28	0	÷	73	Total Days 365	= +	113	0.
320,000	x	Days after Dec. 31, 2002 and before Jan. 1, 2004	31	365	÷	73	Total Days 365	= +	115	320,000.
400,000	x	Days after Dec. 31, 2003	34	0	÷	73	Total Days 365	= +	116	0.

[113] + [115] + [116] = 320,000. − [114] 320,000.

(If negative, enter nil) = [86] 3,901,427.

Number of Days in Taxation Year

Calculation of Specified Rate for Surtax	4.3330 %	x	Days after Sept. 30, 2001 and before Jan. 1, 2003	28	0	÷	73	Total Days 365	= +	95	.0000
	4.6670 %	x	Days after Dec. 31, 2002 and before Jan. 1, 2004	31	365	÷	73	Total Days 365	= +	96	4.6670
	4.6670 %	x	Days after Dec. 31, 2003	34	0	÷	73	Total Days 365	= +	97	.0000

Specified rate of surtax for Taxation Year [95] + [96] + [97] = [94] 4.6670

From [86] 3,901,427. x From [94] 4.6670 % = [87] 182,080.

From [87] 182,080. x From [60] 320,000. ÷ From [114] 320,000. = [88] 182,080.

Surtax Lesser of [70] or [88] = [100] 22,400

continued on Page 6

Income Tax *continued from Page 5*

Additional Deduction for Credit Unions (s.51(4)) *(Attach schedule 17)* ..... 110 0.

Manufacturing and Processing Profits Credit (M&P) (s.43)

Applies to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined by regulations.

Eligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, after deducting depletion and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If you are claiming this credit, attach a copy of Ontario schedule 27.

The whole of the active business income qualifies as Eligible Canadian Profits if a) your active business income from sources other than manufacturing and processing, mining, farming, logging or fishing is 20% or less of the total active business income and b) the total active business income is $250,000 or less.

Eligible Canadian Profits	.....	+	120	0.
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)	.....	– From 56		320,000.
Add: Adjustment for Surtax on Canadian-controlled private corporations				
From 100 22,400. + From 30 100.0000 % * Ontario Allocation + From 78 7.0000 % = 121 320,000.				
Lesser of 56 or 121	.....	+	122	320,000.
120 – 56 + 122	.....	=	130	0.
Taxable Income	.....	+ From 10		4,221,427.
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)	.....	– From 56		320,000.
Add: Adjustments for Surtax on Canadian-controlled private corporations	.....	+ From 122		320,000.
Subtract: Taxable Income 10 4,221,427. X Allocation % to jurisdictions outside Canada .0000 %	.....	–	140	0.
Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses	.....	–	141	0.
10 – 56 + 122 – 140 – 141	.....	=	142	4,221,427.

Claim

143 0. Lesser of 130 or 142 X From 30 100.0000 % * Ontario Allocation X 1.5000 % X (Days after Sept. 30, 2001 and before Jan. 1, 2004: 33 0 ÷ Total Days: 73 365)	= +	154	0.
143 0. Lesser of 130 or 142 X From 30 100.0000 % * Ontario Allocation X 2.0000 % X (Days after Dec. 31, 2003: 34 0 ÷ Total Days: 73 365)	= +	156	0.
M&P claim for taxation year 154 + 156	=	160	0.

* ***Note:*** *Ontario Allocation for M&P Credit purposes may differ from* 30 *if Taxable Income is allocated to foreign jurisdictions. See special rules (s.43(1))*

Manufacturing and Processing Profits Credit for Electrical Generating Corporations = 161 0.

Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity ..... = 162 0.

Credit for Foreign Taxes Paid (s.40)

Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 3001) *(Attach schedule).* ..... 170 0.

Credit for Investment in Small Business Development Corporations (SBDC)

Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former Small Business Development Corporations Act)

Eligible Credit 175 0. Credit Claimed 180 0.

Subtotal of Income Tax 40 – 70 + 100 – 110 – 160 – 161 – 162 – 170 – 180 ..... = 190 527,678.

continued on Page 7

Income Tax *continued from Page 6*

Specified Tax Credits *(Refer to Guide)*

Ontario Innovation Tax Credit (OITC)(s.43.3) ***Applies*** to research and development in Ontario.

Eligible Credit From 5620 OITC Claim Form *(Attach original Claim Form)* . . . . . + 191 0.

Co-operative Education Tax Credit (CETC)(s.43.4) ***Applies*** to employment of eligible students.

Eligible Credit From 5798 Summary Schedule F . . . . . + 192 0.

Ontario Film & Television Tax Credit (OFTTC)(s.43.5)

Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television productions.

Eligible Credit From 5899 either Claim Form from Ontario Media Development Corporation (OMDC) **or** Ministry of Finance (MOF) CT Schedule 193/199, as applicable.

(Attach the original Certification/Claim Form received from the OMDC ***or*** *the original Certification Form received from the OMDC along with a completed MOF CT Schedule 193/199, as applicable.)* . . . . . + 193 0.

Graduate Transitions Tax Credit (GTTC)(s.43.6)

No. of Graduates From 6596

Applies to employment of eligible unemployed post secondary graduate. 194 0

Eligible Credit From 6598 Summary Schedule G . . . . . + 195 0.

Ontario Book Publishing Tax Credit (OBPTC)(s 43.7)

Applies to qualifying expenditures in respect of eligible literary works by eligible Canadian authors.

Eligible Credit From 6900 OBPTC Claim Form *(Attach* ***both*** *the original Claim Form and the Certification Form)* . . . . . + 196 0.

Ontario Computer Animation and Special Effects Tax Credit (OCASE)(s.43.8)

Applies to labour relating to computer animation and special effects on an eligible production.

Eligible Credit From 6700 Claim Form Certified by Ontario Media Development Corporation

(Attach the original Claim/Certification Form with the CT23 Tax Return.) . . . . . + 197 0.

Ontario Business-Research Institute Tax Credit (OBRITC)(s.43.9)

Applies to qualifying R&D expenditures under an eligible research institute contract.

Eligible Credit From 7100 OBRITC Claim Form *(Attach original Claim Form)* . . . . . + 198 0.

Ontario Production Services Tax Credit (OPSTC)(s.43.10)

Applies to qualifying Ontario labour expenditures for eligible productions where the OFTTC has not been claimed.

Eligible Credit From 7300 either Claim Form from Ontario Media Development Corporation (OMDC) or Ministry of Finance (MOF) CT Schedule 193/199, as applicable.

(Attach the original Certification/Claim Form received from the OMDC ***or*** *the original Certification Form received from the OMDC along with a completed MOF CT Schedule 193/199, as applicable.)* . . . . . + 199 0.

Ontario Interactive Digital Media Tax Credit (OIDMTC)(s.43.11)

Applies to qualifying labour expenditures of eligible products for the taxation year.

Eligible Credit From 7400 Claim Form certified by Ontario Media Development Corporation

(Attach original Claim/Certification Form.) . . . . . + 200 0.

Ontario Sound Recording Tax Credit (OSRTC)(s.43.12)

Applies to qualifying expenditures in respect of eligible Canadian sound recordings.

Eligible Credit From 7500 OSRTC Claim Form *(Attach* ***both*** *the original Claim Form and the Certification Form)* . . . . . + 201 0.

Other (specify) _____ . . . . . + 201.1 0.

Total Specified Tax Credits 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201 + 201.1 = 220 0.

Specified Tax Credits ***Applied to reduce Income Tax*** . . . . . = 225 0.

Income Tax 190 – 225 **OR Enter NIL if reporting Non-Capital Loss** *(amount cannot be negative)* . . . . . = 230 527,678.

To determine if the Corporate Minimum Tax (CMT) is applicable to your Corporation, see ***Determination of Applicability*** section for the CMT on ***Page 8***. If CMT is not applicable, transfer amount in 230 to Income Tax in ***Summary*** section on ***Page 17.***

OR

If CMT is not applicable for the current taxation year but your corporation has CMT Credit Carryovers that you want to apply to reduce income tax otherwise payable, then proceed to and complete the ***Application of CMT Credit Carryovers*** section part B, on ***Page 8.***

Corporate Minimum Tax (CMT)

Determination of Applicability

Applies if ***either*** Total Assets [249] exceeds $5,000,000 ***or*** Total Revenue [250] exceeds $10,000,000.

* These amounts include the corporation's and associated corporations' share of any partnership(s) / joint venture(s) total assets and total revenue.

Short Taxation Years - Special rules apply for determining total revenue where the taxation year of the corporation or any associated corporation or any fiscal period of any partnership(s) / joint venture(s) of which the corporation or associated corporation is a member, is less than 51 weeks.

Associated Corporation - The total assets or total revenue of associated corporations is the total assets or total revenue for the taxation year ending on or before the date of the claiming corporation's taxation year end.

*** Total Assets of the corporation**	+ [240]	114,836,479.
*** Total Revenue of the corporation**	+ [241]	106,885,623.

If you are a member of an associated group (x) [242] X (Yes)

Name of associated corporation (Canadian & foreign) *(if insufficient space attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	* Total Assets	* Total Revenue
See attached			+ [243] .	+ [244] .
			+ [245] .	+ [246] .
			+ [247] .	+ [248] .

Aggregate Total Assets [240] + [243] + [245] + [247] , etc.	= [249]	114,836,479.
Aggregate Total Revenue [241] + [244] + [246] + [248] , etc.	= [250]	106,885,623.

If CMT is applicable to current taxation year, complete section ***Calculation: CMT*** below and ***Corporate Minimum Tax Schedules A through E on Pages 18, 19 and 20 of CT23.***

Calculation: CMT *(Attach Schedule A: Calculation of CMT Base on Page 18.)*

Gross CMT Payable ..... CMT Base From [2135]	4,026,626. (If negative, enter zero)	X From [30]	100.0000% (Ontario Allocation)	X 4.0000% =	[276]	161,065.
Subtract: Foreign Tax Credit for CMT purposes *(Attach schedule)*				–	[277]	0.
Subtract: Income Tax				– From	[190]	527,678.
Net CMT Payable (If negative, enter Nil on Page 17.)				=	[280]	0.

If [280] is less than zero and you do not have a CMT credit carryover, transfer [230] from ***Page 7*** to ***Income tax Summary, on Page 17.***

If [280] is less than zero and you have a CMT credit carryover, complete A & B below.

If [280] is greater than or equal to zero, transfer [230] to ***Page 17*** and transfer [280] to ***Page 17***, and to ***Schedule D: Continuity of CMT Credit Carryovers, on Page 20.***

CMT Credit Carryover available ..... From [2307] 0.

Application of CMT Credit Carryovers

A. Income Tax (before deduction of specified credits)				+ From	[190]	527,678.
Gross CMT Payable		+ From [276]	161,065.			
Subtract: Foreign Tax Credit for CMT purposes		– From [277]	0.			
If [276] – [277] is negative, enter NIL in [290]		=	161,065.	–	[290]	161,065.
Income Tax eligible for CMT Credit				=	[300]	366,613.
B. Income Tax (after deduction of specified credits)				+ From	[230]	527,678.
Subtract: CMT credit used to reduce income taxes				–	[310]	0.
Income Tax				=	[320]	527,678.

Transfer to page 17

If A & B apply, [310] ***cannot exceed the lesser of*** [230], [300] ***and your CMT credit carryover available*** [2307].

If only B applies, [310] ***cannot exceed the lesser of*** [230] ***and your CMT credit carryover available*** [2307].

Capital Tax *(Refer to Guide and Int.B. 3011)*

If your corporation is a Financial Institution (s.58(2)), complete lines 480 ***and*** 430 ***on page 10 then proceed to page 13.***
If your corporation is not a member of an associated group and/or partnership and (1) the Gross Revenue and Total Assets as calculated on Page 10 in 480 ***and*** 430 ***are both $1,500,000 or less and the taxation year ends on or after January 1, 2001, or (2) the Gross Revenue and Total Assets as calculated on Page 10 in*** 480 ***and*** 430 ***are both $3,000,000 or less and the taxation year commences after September 30, 2001, your corporation is exempt from Capital Tax for the taxation year. A corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in*** 550 ***on page 12 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.***

Members of a partnership (limited or general) or a joint venture, must attach all financial statements of each partnership or joint venture of which they are a member. The Paid-up Capital of each corporate partner must include its share of liabilities that would otherwise be included if the partnership were a corporation. If Investment Allowance is claimed, Total Assets must be adjusted by adding the corporation's share of the partnership's Total Assets and by deducting investments in the partnership as it appears on the corporation's balance sheet, in addition to any other required adjustments (s.61(5)). Special rules apply to limited partnerships (Int.B. 3017).

Any Assets and liabilities of a corporation that are being utilized in a joint venture must be included along with the corporation's other Assets and liabilities when calculating its Taxable Paid-up Capital.

Special rules and rates apply to Non-Resident corporations (s.63, s.64 and s.69(3)).

Paid-up Capital of Non-resident: Paid-up capital employed in Canada of a non-resident subject to tax by virtue of s.2(a) or (b), and whose **business is not carried on solely in Canada** is deemed to be the **greater** of (1) taxable Income in Canada divided by 8 percent or (2) total assets in Canada minus certain indebtedness in accordance with the provisions of s.63(1)(a) (Int.B. 3010).

Paid-up Capital

Paid-up capital stock (Int.B. 3012 and 3015)	+ 350	24,370,424.
Retained earnings (if deficit, deduct) (Int.B. 3012)	± 351	9,877,896.
Capital and other surpluses, excluding appraisal surplus (Int.B. 3012)	+ 352	0.
Loans and advances *(Attach schedule)* (Int.B. 3013)	+ 353	60,040,422.
Bank loans (Int.B. 3013)	+ 354	0.
Bankers acceptances (Int.B. 3013)	+ 355	0.
Bonds and debentures payable (Int.B. 3013)	+ 356	0.
Mortgages payable (Int.B. 3013)	+ 357	0.
Lien notes payable (Int.B. 3013)	+ 358	0.
Deferred credits (including income tax reserves, and deferred revenue where it would also be included in paid-up capital for the purposes of the large corporations tax) (Int.B. 3013)	+ 359	0.
Contingent, investment, inventory and similar reserves (Int.B. 3012)	+ 360	2,983,813.
Other reserves not allowed as deductions for income tax purposes *(Attach schedule)* (Int.B. 3012)	+ 361	0.
Share of partnership(s) or joint venture(s) paid-up capital *(Attach schedule(s))* (Int.B. 3017)	+ 362	0.
Subtotal	= 370	97,272,555.
Subtract: Amounts deducted for income tax purposes in excess of amounts booked *(Retain calculations. Do not submit.)* (Int.B. 3012)	− 371	-15,501,562.
Deductible R & D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015)	− 372	0.
Total Paid-up Capital	= 380	112,774,117.
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015)	− 381	0.
Electrical Generating Corporations Only - All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the Corporations Tax Act, and the assets are used both in generating electricity from a renewable or alternative energy source and are qualifying property as prescribed by regulation	− 382	0.
Net Paid-up Capital	= 390	112,774,117.

Eligible Investments *(Refer to Guide and Int.B. 3015)*

Attach computations and list of corporations' names and investment amounts. Short-term investments (bankers acceptances, commercial paper, etc.) are eligible for the allowance only if issued for a term of and held for 120 days or more prior to the year end of the investor corporation.

Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)	+ 402	0.
Mortgages due from other corporations	+ 403	0.
Shares in other corporations (certain restrictions apply) *(Refer to Guide)*	+ 404	0.
Loans and advances to unrelated corporations	+ 405	1,600,000.
Eligible loans and advances to related corporations (certain restrictions apply) *(Refer to Guide)*	+ 406	0.
Share of partnership(s) or joint venture(s) eligible investments *(Attach schedule)*	+ 407	0.
Total Eligible Investments	= 410	1,600,000.

continued on Page 10

ITEMS DEDUCTED FOR TAX IN EXCESS OF BOOK

NBV PER FINANCIAL STATEMENTS		82,066,083.00
LESS: LAND		-1,775,247.00
ADD: DEFERRED DEPOSITS		1,425,328.00
		0.00
UCC PER ONTARIO SCHEDULE 8		-97,217,726.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
	Total	-15,501,562.00

Capital Tax *continued from Page 9*

Total Assets (Int.B. 3015)

Total Assets per balance sheet	+ 420	114,836,479.
Mortgages or other liabilities deducted from assets	+ 421	0.
Share of partnership(s)/joint venture(s) total assets *(Attach schedule)*	+ 422	0.
Subtract: Investment in partnership(s)/joint venture(s)	− 423	0.
Total Assets as adjusted	= 430	114,836,479.
Amounts in 360 and 361 (if deducted from assets)	+ 440	0.
Subtract: Amounts in 371, 372 and 381	− 441	-15,501,562.
Subtract: Appraisal surplus if booked	− 442	0.
Add or Subtract: Other adjustments (specify on an attached schedule)	± 443	0.
Total Assets	= 450	130,338,041.
Investment Allowance (410 + 450) X 390 — Not to exceed 410	= 460	1,384,389.
Taxable Capital 390 − 460	= 470	111,389,728.

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)	480	106,885,623.
Total Assets (as adjusted) — From 430		114,836,479.

Calculation of Capital Tax for all corporations except Financial Institutions

Note: This version (2003) of the CT23 may only be used for a taxation year that commenced after September 30, 2001.

(Financial Institutions use calculations on page 13.)

Important: **If the corporation is a family farm corporation, family fishing corporation or a credit union that is not a Financial Institution, complete only Section A below.**

OR **If the corporation is NOT a member of an associated group and/or partnership, review only the capital tax calculations in Section B below and select and complete the one specific subsection (e.g. B3) that applies to the corporation.**

OR **If the corporation IS a member of an associated group and/or partnership, complete Section C on page 11, and If applicable, complete** Section D or Section E on page 12. **Note: If the corporation is a member of a connected partnership, please refer to the 2003 CT23 guide for additional instructions before completing the capital tax section.**

SECTION A

This section applies only if the corporation is a family farm corporation, a family fishing corporation or a credit union that is not a Financial Institution (Int.B. 3018).

Enter NIL in 550 on page 12 and complete the return from that point.

SECTION B

This section applies if the corporation is NOT a member of an associated group and/or partnership.

B1. If the taxation year commences after September 30, 2001 and 430 and 480 on page 10 are both $3,000,000 or less, enter NIL in 550 on page 12 and complete the return from that point.

B2. If taxable capital, 470 on page 10, is **$5,000,000 or less**, enter NIL in 550 on page 12 and complete the return from that point.

B3. If taxable capital, 470 on page 10 exceeds **$5,000,000**, complete the following calculation and transfer the amount From 523 to 543 on page 12, and complete the return from that point.

+ From 470	0.										
−	0.										
= 471	0.	X From 30	100.0000%	X	.3000%	X	555 365 / ** 365 (366 if leap year)	Days in taxation year	= + 523	0.	
			Ontario Allocation							Transfer to 543 on page 12 and complete the return from that point	

*** If floating taxation year, refer to Guide.***

continued on Page 11

Capital Tax Calculation *continued from Page 10*

SECTION C

This section applies ONLY to a corporation that is a member of an associated group (exluding financial institutions and corporations exempt from capital tax) and/or partnership. You must check either 509 or 524 and complete this section before you can calculate your capital tax calculation under either Section D or Section E.

C1. ☐ 509 (X if applicable) **All corporations that you are associated with do not have a permanent establishment in Canada.**

If taxable capital 470 on page 10 is $5,000,000 or less, enter NIL in 550 on page 12 and complete the return from that point.

If taxable capital 470 on page 10 exceeds $5,000,000 proceed to **Section D**, enter $5,000,000 in 542 Section D, and complete Section D and the return from that point.

C2. X 524 (X if applicable) **One or more of the corporations that you are associated with maintains a permanent establishment in Canada.**

If the taxation year **ends before January 1, 2003**, you must complete the *Calculation* below.

If the taxation year **ends after December 31, 2002**, you and your associated group may continue to allocate the $5,000,000 taxable capital exemption by completing the *Calculation* below. Or, the associated group **may file an election** under subsection 69(2.1) of the Corporations Tax Act, whereby total assets are used to allocate the taxable capital exemption among the associated group. Once a ss.69(2.1) election is filed, all members of the group will then be required to file in accordance with the election and allocate a portion (portion is henceforth referred to as **Net Deduction**) of the $15,000 capital tax effect, relating to the $5,000,000 taxable capital exemption, to each corporation in the group on the basis of the ratio that each corporation's total assets multiplied by its Ontario allocation is to the total assets of the group.

The total asset amounts and Ontario allocation percentages to be used for this calculation must be taken from each corporation's financial information from its last taxation year ending in the immediately preceding calendar year.

In addition, although each corporation in the associated group may deduct its Net Deduction amount as apportioned by the total asset formula, the group may, at the group's option, reallocate the group's total Net Deduction among the group on what ever basis the corporate group wishes, as long as the total of the reallocated amounts does not exceed the group's total Net Deduction amount originally calculated for the associated group.

Calculation Do NOT complete this calculation if ss.69(2.1) election is filed

Taxable Capital From 470 on page 10 ..... + From 470 111,389,728.

Determine aggregate taxable capital of an associated group (excluding financial institutions and corporations exempt from capital tax) and/or partnership having a permanent establishment in Canada

Names of associated corporations (excluding financial institutions and corporations exempt from capital tax) or related partners having a permanent establishment in Canada *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (If applicable)	Taxation Year End	Taxable Capital
See attached			+ 531 344,411.
			+ 532 .
			+ 533 .

Aggregate Taxable Capital 470 + 531 + 532 + 533, etc. ..... = 540 111,734,139.

If 540 above is $5,000,000 or less, the corporation's Capital Tax for the taxation year, is NIL.
Enter NIL in 523 in section D on page 12, as applicable.

If 540 above is greater than $5,000,000, the corporation must compute its share of the $5,000,000 exemption below in order to calculate its Capital Tax for the taxation year under Section D on page 12.

From 470 111,389,728. ÷ From 540 111,734,139. x 5,000,000 ..... = 541 4,984,588.

Transfer to 542 in Section D on page 12

S.s.69(2.1) Election Filed

☐ 591 (X if applicable) **Election filed.** ***Attach a copy of the election with this CT23 Return.***
Proceed to **Section E** on page 12.

continued on Page 12

Capital Tax Calculation *continued from Page 11*

SECTION D

This section applies if the corporation IS a member of an associated group and/or partnership whose total AGGREGATE taxable capital, [540] *on page 11, exceeds $5,000,000.*

Complete the following calculation and transfer the amount From [523] to [543], and complete the return from that point.

+ From [470]	111,389,728.											
− [542]	4,984,588.											
= [471]	106,405,140.	x From [30]	100.0000%	x	.3000%	x	[555] 365 / ** 365 (366 if leap year)	.....	= + [523]	319,215.	**Total Capital Tax for the taxation year**	*Transfer to [543] and complete the return from that point*

Ontario Allocation

Days in taxation year

SECTION E

This section applies if a corporation is a member of an associated group and the associated group has filed a ss.69(2.1) election

+	From [470] 0.	x From [30]	100.0000%	x	.3000%	.....	= + [561]	0.		
		Ontario Allocation								
−	Capital tax deduction From [995] relating to *your corporation's* capital tax deduction, on ss.69(2.1) election form					..... − From [995]		0.		
							= [562]	0.		
Capital Tax	..... [562] 0.			x	[555] 365 / ** 365 (366 if leap year)	.....	= [563]	0.	*Transfer to [543] and complete the return from that point*	

Days in taxation year

*** If floating taxation year, refer to Guide.***

Capital Tax *before application of specified credits*	= [543]	319,215.	
Subtract: Specified Tax Credits applied to reduce capital tax payable *(Refer to Guide)*	− [546]	0.	
Capital Tax [543] − [546] *(amount cannot be negative)*	= [550]	319,215.	*Transfer to Page 17*

continued on Page 13

Capital Tax *continued from Page 12*

Calculation of Capital Tax for Financial Institutions

I.1. Credit Unions only

For taxation years commencing **after May 4, 1999** enter NIL in [550] on page 12, and complete the return from that point.

I.2. Other than Credit Unions

(Retain details of calculations for amounts in boxes [565] and [570]. Do not submit with this tax return.)

[565] 0. x (Lesser of adjusted TPUC and Basic Capital Amount in accordance with Division B.1) 0.6% X From [30] ____% (Ontario Allocation) x [555] 0 ÷ ** 0 (366 if leap year) (Days in taxation year) = + [569] 0.

[570] 0. x (Adjusted TPUC in accordance with Division B.1 in excess of Basic Capital Amount) [571] 0.00% (Capital Tax Rate *(Refer to Guide)*) X From [30] ____% (Ontario Allocation) x [555] 0 ÷ ** 0 (366 if leap year) (Days in taxation year) = + [574] 0.

Capital Tax for Financial Institutions – other than Credit Unions (before Section II) [569] + [574] ..... = [575] 0.

**** If floating taxation year, refer to Guide.***

II. Small Business Investment Tax Credit

(Retain details of eligible investment calculation and, if claiming an investment in CSBIF, retain the original letter approving the credit issued in accordance with the Community Small Business Investment Fund Act. Do not submit with this tax return.)

Allowable Credit for Eligible Investments ..... – [585] 0.

Financial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (x) ☐ Yes

Capital Tax – Financial Institutions [575] – [585] ..... = [586] 0.

Transfer to [543] on Page12

Premium Tax (s.74.2 & 74.3) *(Refer to Guide)*

(1) Uninsured Benefits Arrangements ..... [587] 0. x 2% .... = [588] 0.

Applies to Ontario-related uninsured benefits arrangements.

(2) Unlicensed Insurance (enter premium tax payable in [588] and attach a detailed schedule of calculations. If subject to tax under (1) above, add both taxes together and enter total tax in [588].)

Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with unlicensed insurers.

Deduct: Specified Tax Credits applied to reduce premium tax *(Refer to Guide)* ..... – [589] 0.

Premium Tax [588] – [589] ..... = [590] 0.

Transfer to page 17

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

Net Income (loss) for federal income tax purposes, per federal T2 SCH 1 ± 600 4,221,987.
Transfer to Page 15

Add:

Federal capital cost allowance	+ 601	5,821,538.
Federal cumulative eligible capital deduction	+ 602	0.
Ontario taxable capital gain	+ 603	0.
Federal non-allowable reserves. Balance beginning of year	+ 604	2,810,433.
Federal allowable reserves. Balance end of year	+ 605	0.
Ontario non-allowable reserves. Balance end of year	+ 606	2,983,812.
Ontario allowable reserves. Balance beginning of year	+ 607	0.
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	+ 608	0.
Federal resource allowance	+ 609	0.
Federal depletion allowance	+ 610	0.
Federal foreign exploration and development expenses	+ 611	0.

Management fees, rents, royalties and similar payments to non-arms' length non-residents

Number of Days in Taxation Year

			Days after Sept. 30, 2001 and before Jan. 1, 2004	Total Days		
612	0. × 5 ÷ 12.5000 ×		33 365	÷ 73 365	= + 633	0.
612	0. × 5 ÷ 14.0000 ×		Days after Dec. 31, 2003: 34 0	÷ 73 365	= + 634	0.

Total add-back amount for Management fees, etc. 633 + 634 .... = 0. + 613 0.

Federal Scientific Research Expenses claimed in year from line 460 of fed. form T661 excluding any negative amount in 473 from Ont. CT23 schedule 161 + 615 0.

Add any negative amount in 473 from Ont. CT23 Schedule 161 + 616 0.

Federal allowable business investment loss + 620 0.

Total of other items not allowed by Ontario but allowed federally *(Attach schedule)* + 614 0.

Total of Additions 601 to 611 + 613 + 615 + 616 + 620 + 614 = 11,615,783. 640 11,615,783.
Transfer to Page 15

Deduct:

Ontario capital cost allowance (excludes amounts deducted under 675)	+ 650	5,821,538.
Ontario cumulative eligible capital deduction	+ 651	0.
Federal taxable capital gain	+ 652	0.
Ontario non-allowable reserves. Balance beginning of year	+ 653	2,810,433.
Ontario allowable reserves. Balance end of year	+ 654	0.
Federal non-allowable reserves. Balance end of year	+ 655	2,983,812.
Federal allowable reserves. Balance beginning of year	+ 656	0.
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) *(Retain calculations. Do not submit.)*	+ 657	0.
Ontario depletion allowance	+ 658	0.
Ontario resource allowance	+ 659	0.
Ontario current cost adjustment *(Attach schedule)*	+ 661	0.
Incentive for new electricity supply (section 13.6 deduction from income) *(**Applies** only to electrical generating corporations.)*	+ 674	0.
CCA for investments in qualifying energy-efficient equipment and for assets used to generate electricity from natural gas, alternative or renewable resources.	+ 675	0.
Subtotal of deductions for this page 650 to 659 + 661 + 674 + 675	681	11,615,783.

Transfer to Page 15

continued on Page 15

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

continued from Page 14

Net income (loss) for federal income tax purposes, per federal T2 SCH 1 ..... From ± 600 4,221,987.

Total of Additions ..... From = 640 11,615,783.

Sub Total of deductions on page 14 ..... From = 681 11,615,783.

Deduct:

Ontario New Technology Tax Incentive (ONTTI) Gross-up
(Applies only to those corporations whose Ontario allocation is less than 100% in the current taxation year.)

Capital Cost Allowance (Ontario) (CCA) on prescribed qualifying intellectual property deducted in the current taxation year ..... 662 0.

ONTTI Gross-up deduction calculation:

[From 662 0. x (Gross-up of CCA 100 / From 30 100.0000 Ontario Allocation)] – From 662 0. = 663 0.

Workplace Child Care Tax Incentive

Qualifying expenditures: [665 0. x 30.00% x (100 / From 30 100.0000 Ontario Allocation)] = 666 0.

Workplace Accessibility Tax Incentive

Qualifying expenditures: [667 0. x 100.00% x (100 / From 30 100.0000 Ontario Allocation)] = 668 0.

Number of Employees accommodated 669 0

Ontario School Bus Safety Tax Incentive (OSBSTI) (***Applies*** to the eligible acquisition of school buses purchased after May 4, 1999 and before January 1, 2006.) *(Refer to Guide)*

Qualifying expenditures: [670 0. x 30.00% x (100 / From 30 100.0000 Ontario Allocation)] = 671 0.

Educational Technology Tax Incentive (***Applies*** to qualifying amounts incurred after May 2, 2000.)

Qualifying expenditures: [672 0. x 15.00% x (100 / From 30 100.0000 Ontario Allocation)] = 673 0.

Ontario allowable business investment loss ..... + 678 0.

Ontario Scientific Research Expenses claimed in year in from Ont. CT23 Schedule 161 477 ..... + 679 0.

Amount added to income federally for an amount that was negative on federal form T661, line 454 or 455 (if filed after June 30, 2003) ..... + 677 0.

Total of other deductions allowed by Ontario *(Attach schedule)* ..... + 664 0.

Total of Deductions 681 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 677 + 664 .. = 11,615,783. 680 11,615,783.

Net income (loss) for Ontario Purposes 600 + 640 – 680 ..... = 690 4,221,987.

Transfer to Page 4

Continuity of Losses Carried Forward

	Non-Capital Losses (1)	Total Capital Losses (9) (10)	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
Balance at Beginning of Year	700 (2) 0	710 (2) 0	720 (2) 0	730 0	740 0	750 0
Add: Current year's losses (7)	701 0	711 0	721 0	731 0	741 0	751 0
Losses from predecessor corporations (3)	702 0	712 0	722 0	732 0		752 0
Subtotal	703 0	713 0	723 0	733 0	743 0	753 0
Subtract: Utilized during the year to reduce taxable income	704 (2) 0	715 (2) (4) 0	724 (2) 0	734 (2) (4) 0	744 (4) 0	754 (4) 0
Expired during the year	705 0		725 0	735 0	745 0	
Carried back to prior years to reduce taxable income (5)	706 (2) to Page 17 0	716 (2) to Page 17 0	726 (2) to Page 17 0	736 (2) to Page 17 0	746 0	
Subtotal	707 0	717 0	727 0	737 0	747 0	757 0
Balance at End of Year	709 (8) 0	719 0	729 0	739 0	749 0	759 0

Notes:

(1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.

(2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5), as made applicable by s.34.

(3) Includes losses on amalgamation (fed.s.87(2.1) and s.87(2.11)) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.

(4) To the extent of applicable gains/income/at-risk amount only.

(5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.

(6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.

(7) Include amount form 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.

(8) Amount in 709 must equal total of 829 + 839.

(9) Total Capital Losses for a year is the excess of 100% of the Capital Losses in the taxation year minus 100% of the Capital Gains (less any reserves) in the taxation year. Total Capital Losses is before the inclusion rate has been applied.

(10) Commencing in the 2001 CT23 this column now refers to Total Capital Losses (100% of loss), whereas previously the column referred to Net Capital Losses (75% of loss or after the inclusion rate has been applied). Loss amounts that are not carried at 100% of the loss must be grossed back up to 100% by multiplying the balance by 1.333333. No adjustment is required where losses are carried at 100% of the loss amount.

Analysis of Balance at End of Year by Year of Origin

Year of Origin (oldest year first) year month day	Non-Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only (9) (10)	Farm Losses	Restricted Farm Losses
800 9th preceding taxation year 1994-12-31				850 0	870 0
801 8th preceding taxation year 1995-12-31				851 0	871 0
802 7th preceding taxation year 1996-12-31				852 0	872 0
803 6th preceding taxation year 1997-12-31	820 0	830 0	840 0	853 0	873 0
804 5th preceding taxation year 1998-12-31	821 0	831 0	841 0	854 0	874 0
805 4th preceding taxation year 1999-12-31	822 0	832 0	842 0	855 0	875 0
806 3rd preceding taxation year 2000-12-31	823 0	833 0	843 0	856 0	876 0
807 2nd preceding taxation year 2001-12-31	824 0	834 0	844 0	857 0	877 0
808 1st preceding taxation year 2002-12-31	825 0	835 0	845 0	858 0	878 0
809 Current taxation year 2003-12-31	826 0	836 0	846 0	859 0	879 0
Total	829 0	839 0	849 0	869 0	889 0

Request for Loss Carry-Back (s.80(16))

Applies to corporations requesting a reassessment of the return of one or more previous taxation years under s.80(16) with respect to one or more types of losses carried back.

- If, after applying a loss carry-back to one or more previous years, there is a balance of loss available to carry forward to a future year, it is the corporation's responsibility to claim such a balance for those years following the year of loss within the limitations of fed.s.111, as made applicable by s.34.
- Where control of a corporation has been acquired by a person or group of persons, certain restrictions apply to the carry-forward and carry-back provisions of losses under fed.s.111(4) through 111(5.5), as made applicable by s.34.
- Refunds arising from the loss carry-back adjustment may be applied by the Minister of Finance to amounts owing under ***any Act administered by the Ministry of Finance.***
- Any late filing penalty applicable to the return for which the loss is being applied will not be reduced by the loss carry-back.
- The application of a loss carry-back will be available for interest calculation purposes on the day that is the latest of the following:
  1) the first day of the taxation year after the loss year,
  2) the day on which the corporation's return for the loss year is delivered to the Minister, or
  3) the day on which the Minister receives a request in writing from the corporation to reassess the particular taxation year to take into account the deduction of the loss.
- If a loss is being carried back to a **predecessor corporation**, enter the predecessor corporation's account number and taxation year end in the spaces provided under Application of Losses below.

Application of Losses

	Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
Total amount of loss	910 0	920 0	930 0	940 0
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income				
Predecessor Ontario Corporation's Tax Account No. (MOF) / **Taxation Year Ending** (year month day)				
i) 3rd preceding ____ 901 ____	911 0	921 0	931 0	941 0
ii) 2nd preceding ____ 902 ____	912 0	922 0	932 0	942 0
iii) 1st preceding ____ 903 ____	913 0	923 0	933 0	943 0
Total loss to be carried back	From 706 0	From 716 0	From 726 0	From 736 0
Balance of loss available for carry-forward	919 0	929 0	939 0	949 0

Summary

Income tax	+ From 230 or 320		527,678.
Corporate Minimum Tax	+ From 280		0.
Capital Tax	+ From 550		319,215.
Premium Tax	+ From 590		0.
Total Tax Payable	= 950		846,893.
Subtract: Payments	– 960		0.
Capital Gains Refund (s.48)	– 965		0.
Qualifying Environmental Trust Tax Credit *(Refer to Guide)*	– 985		0.
Specified Tax Credits *(Refer to Guide)*	– 955		0.
Other (specify) ____	–		0.
Balance	= 970		846,893.
If payment due	Enclosed * 990		846,893.
If overpayment: Refund *(Refer to Guide)*	= 975		0.
Apply to (year month day) ____	980		0.

(Includes credit interest)

* Make your cheque (drawn on a Canadian financial institution) or a money order in Canadian funds, ***payable to the Minister of Finance*** and print your Ontario Corporation's Tax Account No. (MOF) on the back of cheque or money order. *(Refer to Guide for other payment methods.)*

Certification

I am an authorized signing officer of the corporation. I certify that this CT23 return, including all schedules and statements filed with or as part of this CT23 return, has been examined by me and is a true, correct and complete return and that the information is in agreement with the books and records of the corporation. I further certify that the financial statements accurately reflect the financial position and operating results of the corporation as required under section 75 of the *Corporations Tax Act*. The method of computing income for this taxation year is consistent with that of the previous year, except as specifically disclosed in a statement attached.

Name (please print)

Albert Singh

Title

VP Finance & CEO

Full Residence Address

Signature	Date

Note: Section 76 of the Corporations Tax Act provides penalties for making false or misleading statements or omissions.

Corporate Minimum Tax - Schedule A: Calculation of CMT Base

DOLLARS ONLY

Banks - Net income/loss as per report accepted by Superintendent of Financial Institutions (SFI) under the Bank Act (Canada), adjusted so consolidation/equity methods are not used.

Net Income/Loss (unconsolidated, determined in accordance with GAAP) ± 2100 **2,324,566.**

Subtract (to the extent reflected in net income/loss):

Provision for recovery of income taxes / benefit of current income taxes	+ 2101	0.	
Provision for deferred income taxes (credits) / benefit of future income taxes	+ 2102	0.	
Equity income from corporations	+ 2103	0.	
Share of partnership(s)/joint venture(s) income	+ 2104	0.	
Dividends received/receivable deductible under fed.s.112	+ 2105	0.	
Dividends received/receivable deductible under fed.s.113	+ 2106	0.	
Dividends received/receivable deductible under fed.s.83(2)	+ 2107	0.	
Federal Part VI.1 tax paid on dividends declared and paid, under fed.s.191.1(1) 0. X 9/3	+ 2108	0.	
Subtotal	=	0.	- 2109 0.

Add (to extent reflected in net income/loss):

Provision for current taxes / cost of current income taxes	+ 2110	1,702,060.	
Provision for deferred income taxes (debits) / cost of future income taxes	+ 2111	0.	
Equity losses from corporations	+ 2112	0.	
Share of partnership(s)/joint venture(s) losses	+ 2113	0.	
Dividends that have been deducted to arrive at net income per Financial Statements s.57.4(1.1) (excluding dividends under fed.s.137(4.1))	+ 2114	0.	
Subtotal	=	1,702,060.	+ 2115 1,702,060.

Add/Subtract:

Amounts relating to s.57.9 election/regulations for disposals etc. of property for current/prior years

** Fed.s.85	+ 2116	0.	or - 2117	0.	
** Fed.s.85.1	+ 2118	0.	or - 2119	0.	
** Fed.s.97	+ 2120	0.	or - 2121	0.	
** Amounts relating to amalgamations (fed.s.87) as prescribed in regulations for current/prior years	+ 2122	0.	or - 2123	0.	
** Amounts relating to wind-ups (fed.s.88) as prescribed in regulations for current/prior years	+ 2124	0.	or - 2125	0.	
** Amounts relating to s.57.10 election/regulations for replacement re fed.s.13(4), 14(6) and 44 for current/prior years	+ 2126	0.	or - 2127	0.	
Interest allowable under ss.20(1)(c) or (d) of ITA to the extent not otherwise deducted in determining CMT adjusted net income			- 2150	0.	

Subtotal (Additions)	=	0.	+ 2128 0.
Subtotal (Subtractions)	=	0.	- 2129 0.
** Other adjustments			± 2130 0.
Subtotal ± 2100 - 2109 + 2115 + 2128 - 2129 ± 2130			= 2131 4,026,626.
** Share of partnership(s)/joint venture(s) **adjusted** net income/loss			± 2132 0.
Adjusted net income (loss) (if loss, transfer to 2202 in ***Schedule B: Continuity of CMT Losses Carried Forward, Page 19.)***			= 2133 4,026,626.

Deduct: * CMT losses: pre-1994 Loss	+ From 2210	0.	
* CMT losses: other eligible losses	+ 2211	0.	
	=	0.	- 2134 0.

* CMT losses applied cannot exceed adjusted net income or increase a loss

** *Retain calculations. Do not submit with this tax return.*

CMT Base = 2135 **4,026,626.**

Transfer to CMT Base on Page 8

Corporate Minimum Tax (CMT)

DOLLARS ONLY

Schedule B: Continuity of CMT Losses Carried Forward

Balance at Beginning of year (1), (2)				+ 2201	0.
Add:	Current year's losses	+ 2202	0.		
	Losses from predecessor corporations on amalgamation (3)	+ 2203	0.		
	Losses from predecessor corporations on wind-up (3)	+ 2204	0.		
	Amalgamation (x) 2205 ☐ Yes Wind-up (x) 2206 ☐ Yes				
Subtotal		=	0.	+ 2207	0.
Adjustments (attach schedule)				± 2208	0.
CMT losses available	2201 + 2207 ± 2208			= 2209	0.
Subtract:	Pre-1994 loss utilized during the year to reduce adjusted net income	+ 2210	0.		
	Other eligible losses utilized during the year to reduce adjusted net income (4)	+ 2211	0.		
	Losses expired during the year	+ 2212	0.		
Subtotal		=	0.	- 2213	0.
Balances at End of Year (5)	2209 - 2213			= 2214	0.

Notes:

(1) Pre-1994 CMT loss (see s.57.1(1)) should be included in the balance at beginning of the year. Attach schedule showing computation of pre-1994 CMT loss.

(2) Where acquisition of control of the corporation has occurred, the utilization of CMT losses can be restricted. (see s.57.5(3) and s.57.5(7))

(3) Include and indicate whether CMT losses are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.57.5(8) and s.57.5(9))

(4) CMT losses must be used to the extent of the lesser of the adjusted net income 2133 and CMT losses available 2209.

(5) Amount in 2214 must equal sum of 2270 + 2290.

Schedule C: Analysis of CMT Losses Year End Balance by Year of Origin

For a pre-1994 loss, use the date of the last taxation year end before your corporation's first taxation year commencing after 1993.

	Year of Origin (oldest year first) year month day	CMT Losses of Corporation	CMT Losses of Predecessor Corporations
2240	9th preceding taxation year 1994-12-31	2260 0	2280 0
2241	8th preceding taxation year 1995-12-31	2261 0	2281 0
2242	7th preceding taxation year 1996-12-31	2262 0	2282 0
2243	6th preceding taxation year 1997-12-31	2263 0	2283 0
2244	5th preceding taxation year 1998-12-31	2264 0	2284 0
2245	4th preceding taxation year 1999-12-31	2265 0	2285 0
2246	3rd preceding taxation year 2000-12-31	2266 0	2286 0
2247	2nd preceding taxation year 2001-12-31	2267 0	2287 0
2248	1st preceding taxation year 2002-12-31	2268 0	2288 0
2249	Current taxation year 2003-12-31	2269 0	2289 0
Totals		2270 0	2290 0

The sum of amounts 2270 + 2290 *must equal amount in* 2214.

Corporate Minimum Tax (CMT)

DOLLARS ONLY

Schedule D: Continuity of CMT Credit Carryovers

Balance at Beginning of year (1)				+ 2301	0.
Add: Current year's CMT Credit (280 on page 8. If negative, enter NIL)		+ From 280	0.		
CMT Credit Carryovers from predecessor corporations (2)		+ 2302	0.		
Amalgamation (x) 2303 ☐ Yes Wind-up (x) 2304 ☐ Yes					
Subtotal		=	0.	+ 2305	0.
Adjustments *(Attach schedule)*				± 2306	0.
CMT credit carryover available 2301 + 2305 ± 2306				= 2307	0.
					Transfer to Page 8
Subtract: CMT Credit utilized during the year to reduce income tax (Page 8)		+ From 310	0.		
CMT Credit expired during the year		+ 2308	0.		
Subtotal		=	0.	- 2309	0.
Balance at End of Year (3) 2307 - 2309				= 2310	0.

Notes:

(1) Where acquisition of control of the corporation has occurred, the utilization of CMT credits can be restricted. (see s.43.1(5))

(2) Include and indicate whether CMT credits are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.43.1(4))

(3) Amount in 2310 must equal sum of 2370 + 2390.

Schedule E: Analysis of CMT Credit Carryovers Year End Balance by Year of Origin

	Year of Origin (oldest year first) year month day	CMT Credit Carryovers of Corporation	CMT Credit Carryovers of Predecessor Corporation(s)
2340	9th preceding taxation year 1994-12-31	2360 0	2380 0
2341	8th preceding taxation year 1995-12-31	2361 0	2381 0
2342	7th preceding taxation year 1996-12-31	2362 0	2382 0
2343	6th preceding taxation year 1997-12-31	2363 0	2383 0
2344	5th preceding taxation year 1998-12-31	2364 0	2384 0
2345	4th preceding taxation year 1999-12-31	2365 0	2385 0
2346	3rd preceding taxation year 2000-12-31	2366 0	2386 0
2347	2nd preceding taxation year 2001-12-31	2367 0	2387 0
2348	1st preceding taxation year 2002-12-31	2368 0	2388 0
2349	Current taxation year 2003-12-31	2369 0	2389 0
Totals		2370 0	2390 0

The sum of amounts 2370 + 2390 ***must equal amount in*** 2310.

Calculation of Tax Rates for the

- Incentive Deduction for Small Business Corporations (IDSBC) (Small Business Tax Credit) (S.41)
- Surtax on Canadian-controlled Private Corporations (s.41.1)

1. Calculation of IDSBC Rate

Number of Days In Taxation Year

		Days after December 31, 1998 and before January 1, 2000		Total Days		
7.00%	x	0	/	365	=	.0000%
		Days after Dec 31, 1999 and before Jan 1, 2001		Total Days		
7.50%	x	0	/	365	=	.0000%
		Days after Dec 31, 2000 and before Oct 1, 2001		Total Days		
7.50%	x	0	/	365	=	.0000%
		Days after Sept 30, 2001 and before Jan 1, 2003		Total Days		
6.50%	x	0	/	365	=	.0000%
		Days after Dec 31, 2002 and before Jan 1, 2004		Total Days		
7.00%	x	365	/	365	=	7.0000%
		Days after Dec 31, 2003		Total Days		
8.50%	x	0	/	365	=	.0000%
IDSBC Rate for the Taxation Year					=	7.0000%

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2. Calculation of Specified Rate for Surtax

Number of Days In Taxation Year

4.67%	x	Days after Dec 31, 1998 and before Jan 1, 2000: 0	/	Total Days: 365	=	.0000%
5.00%	x	Days after Dec 31, 1999 and before Jan 1, 2001: 0	/	Total Days: 365	=	.0000%
5.00%	x	Days after Dec 31, 2000 and before Oct 1, 2001: 0	/	Total Days: 365	=	.0000%
4.3330%	x	Days after Sept 30, 2001 and before Jan 1, 2003: 0	/	Total Days: 365	=	.0000%
4.6670%	x	Days after Dec 31, 2002 and before Jan 1, 2004: 365	/	Total Days: 365	=	4.6670%
4.6670%	x	Days after Dec 31, 2003: 0	/	Total Days: 365	=	.0000%
Specified Rate of Surtax for the Taxation Year					=	4.6670%

Ontario

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

Surtax on Canadian-Controlled Private Corporations

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Waterloo North Hydro Inc.	1404168	2003-12-31

Name of Associated Corporation (Canadian and Foreign)	Corporations Tax Number	Taxation Year End	Taxable Income (if loss, enter nil)
WATERLOO NORTH HYDRO HOLDING			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
		Total	
		Transfer to 85 *of the CT23*	=

Ontario

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

Corporate Minimum Tax - Associated Corporations

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Waterloo North Hydro Inc.	1404168	2003-12-31

Name of Associated Corporation (Canadian and Foreign)	Corporations Tax Number	Taxation Year End	Total Assets	Total Revenue
WATERLOO NORTH HYDRO HOLDING			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
		Totals	=	=

Transfer to 249 *of the CT23*

Transfer to 250 *of the CT23*

Ontario

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

Paid-Up Capital: Loans and Advances

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Waterloo North Hydro Inc.	1404168	2003-12-31

Loans or Advances Credited or Advanced to Corporation
(includes accounts payable to related parties outstanding at the taxation year end for 120 days or more, and accounts payable to non-related parties outstanding for 365 days or more at the taxation year end)

CUSTOMER DEPOSITS - CURRENT	+	338,447
CUSTOMER DEPOSITS - LONG-TERM	+	1,412,315
LONG-TERM DEBT	+	56,864,332
CUSTOMER DEPOSITS INCLUDED IN CURRENT ASSETS	+	1,425,328
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
Total *Transfer to* 353 *of the CT23*	=	60,040,422

Summary of Capital Cost Allowance

Is the corporation electing under regulation 1101(5g)? [Y/N] N

1 Class number	2 Ontario undepreciated capital cost at the beginning of the year (undepreciated capital cost at the end of the prior year's CCA schedule)	3 Cost of acquisitions during the year (new property must be available for use) See note 1 below	4 Net adjustments (show negative amounts in brackets)	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	6 Ontario undepreciated capital cost (column 2 plus column 3 or minus column 4 minus column 5)	7 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5) See note 2 below	8 Reduced undepreciated capital cost (column 6 minus column 7)	9 CCA rate %	10 Recapture of capital cost allowance	11 Terminal loss	12 Ontario capital cost allowance (column 8 multiplied by column 9; or a lower amount)	13 Ontario undepreciated capital cost at the end of the year (column 6 minus column 12)
1	89,653,189	4,189,472	0	0	93,842,661	2,094,736	91,747,925	4	0	0	3,669,917	90,172,744
8	4,772,625	429,372	0	514	5,201,483	214,429	4,987,054	20	0	0	997,411	4,204,072
10	3,604,368	399,928	0	49,993	3,954,303	174,967	3,779,336	30	0	0	1,133,801	2,820,502
12	0	40,817	0	0	40,817	20,408	20,409	100	0	0	20,409	20,408
Total	98,030,182	5,059,589	0	50,507	103,039,264	2,504,540	100,534,724		0	0	5,821,538	97,217,726
								Enter in boxes	[650]	[650]	[650] on the CT23	

Note 1. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule. See Regulation 1100(2) and (2.2) of the "Income Tax Act" (Canada).

Note 2. The net cost of acquisitions is the cost of acquisitions plus or minus certain adjustments from column 4.

Note 3. If the taxation year is shorter than 365 days, prorate the CCA claim.

Note 4. Ontario recapture should be included in net income after deducting the federal recapture and the Ontario terminal loss is deducted from net income after including the federal terminal loss.

Ontario

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

Taxable Capital of Associated Corporations

(Applicable to an associated group that has a permanent establishment in Canada)

Schedule CT21

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Waterloo North Hydro Inc.	1404168	2003-12-31

This schedule must be completed in determining the aggregate taxable capital of an associated group and/or partnership that has a permanent establishment (PE) in Canada.

Name of Associated Corporation (Must have a PE in Canada)	Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Taxable Capital
WATERLOO NORTH HYDRO HOLDING			+ 344,411
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+

Aggregate of taxable capital = 344,411

Transfer to box 540 *of the CT23*

Ontario

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

Ontario Political Election Contributions

(Applicable for political contributions to registered Ontario candidates, constituency associations, or political parties.)

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Waterloo North Hydro Inc.	1404168	2003-12-31

Ontario Taxable Income before the political contribution deduction ..... 4,221,987 B

Calculation of Annual Deduction Limits

Lesser of "A", "B" or "C", where:

Prior year ending balance	0		
Current year contribution	560		
A) Political donation	560	560	A
B) Ontario taxable income before the political contribution deduction; and		4,221,987	B
C) Annual limit $15,000 (indexed every 5 years commencing Jan. 1, 2004)		15,000	C

Claim the lesser of "A", "B" or "C" ..... 560 D

Where the Ontario allocation factor is less than 100%

560 (D) ÷ Ontario Allocation 100.0000 % = 560 E

(From box 30 of the CT23)

Political contribution claimed (D or E) ..... 560 F

(Deduction cannot create a loss for Ontario tax purposes)

(Enter total from F in box 4 of the CT23)

Continuity Schedule

(Excess political contributions can be carried forward indefinitely and applied against taxable income in subsequent years.)

	Prior year ending balance	Current year contribution	Amount claimed in the taxation year	Ontario Balance at the end of the year
Totals	$ 0	$ 560	$ 560	$ 0

ONTARIO CONSENT FORM

This form authorizes the Ontario Ministry of Finance to release confidential client information to a designated third-party representative in matters pertaining to applicable legislation.

- Complete Parts 1, 2, and 5 to name a representative
- Complete Parts 3, 4, and 5 to cancel the consent provided for an existing representative
- Complete all the parts if you want to both name a new representative and cancel an existing representative

Part 1 - Consent for the release of information to a representative

Taxpayer's name:
Waterloo North Hydro Inc.
Taxpayer's address 1:..... 300 Northfield Drive East
Taxpayer's address 2:..... Box 640
City:..... Waterloo
Province:..... ON
Postal code:..... N2J-4A3

Ontario Corporation
Tax Account Number: 1404168

I consent to the release of confidential information about my Corporation Tax Return by the Ontario Ministry of Finance to the representative named below.

Representative's name:..... KPMG LLP
(If a firm, enter the name of the firm. If an individual, enter the first and last name of the individual)
Address 1:..... Marsland Centre 3rd Floor
Address 2:..... 20 Erb Street West
City:..... Waterloo
Province, territory or state:..... ON
Country (other than Canada):.....
Postal code:..... N2L-1T2
Zip code or foreign postal code:.....

If you named a firm as your representative and want to specify a particular individual of that firm, enter that individual's first and last name.

Representative's name

519-747-8800
Representative's telephone number Extension

519-747-8890
Representative's fax number

Part 2 - Details of consent

I request that this consent apply to all years. X OR

I request that this consent apply only to the following years:

1. All year-ends up to:
   Year Month Day
2. All year-ends beginning in: and all years after that.
   Year Month Day
3. The following year-ends only:
   Year Month Day Year Month Day
   Year Month Day Year Month Day

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Part 3 - Cancellation of the consent for the release of information to a representative

Taxpayer's name:
Waterloo North Hydro Inc.
Taxpayer's address 1:..... 300 Northfield Drive East
Taxpayer's address 2:..... Box 640
City:..... Waterloo
Province:..... ON
Postal code:..... N2J-4A3

Ontario Corporation
Tax Account Number: 1404168

I cancel all previous consents for all representatives. OR

I cancel my consent for the release of confidential information about my Corporation Tax Return by the Ontario Ministry of Finance to the representative named below.

Representative's name:
(If a firm, enter the name of the firm. If an individual, enter the first and last name of the individual.)
Address 1:.....
Address 2:.....

If you named a firm as your representative and want to cancel the consent with respect to a particular individual of that firm, enter that individual's first and last name.

Representative's name

Representative's telephone number

Representative's fax number

Part 4 - Details of cancellation of consent

I request that this cancellation of consent apply to all years. OR

I request that this cancellation of consent apply only to the following years:

1. All year-ends up to:
Year Month Day

2. All year-ends beginning in: and all years after that.
Year Month Day

3. The following year-ends only:
Year Month Day Year Month Day

Year Month Day Year Month Day

Part 5 - Signature

Print your name Albert Singh Title VP Finance & CEO
This form must be signed by an owner, partner, director, trustee, or officer.

Sign here_____ Date
Year Month Day

WE WILL NOT PROCESS THIS FORM IF IT IS NOT SIGNED

CCH Canadian Ltd. - Corporate Taxprep, 2003 CT23, ver 1-2004

Attachment Q

2004
Tax Returns

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

T2 CORPORATION INCOME TAX RETURN

CLIENT'S COPY

200
Code 0401

055 **Do not use this area**

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec, Ontario, or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporate return.

Parts, sections, subsections, and paragraphs mentioned on this return refer to the *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing. If you need more information about items on the return, see the corresponding items in the *T2 Corporation – Income Tax Guide* (T4012).

Send one completed copy of this return, including schedules and the *General Index of Financial Information* (GIFI), to your tax services office or tax centre. You have to file the return within six months after the end of the corporation's taxation year. For more information on when and how to file T2 returns, see items 1 to 5 in the guide.

Identification

Business Number (BN) 001 865844575RC0001

Corporation's name

002 Waterloo North Hydro Inc.

Has the corporation changed its name since the last time we were notified? 003 1 Yes ☐ 2 No ☒

If *Yes*, do you have a copy of the articles of amendment? 004 1 Yes ☐ 2 No ☐

Address of head office

Has the address changed since the last time we were notified? 010 1 Yes ☐ 2 No ☒

011 300 Northfield Drive East

012 Box 640

City: 015 Waterloo | Province, territory, or state: 016 ON

Country (other than Canada): 017 | Postal code/ZIP code: 018 N2J-4A3

Mailing address (if different from head office address)

Has the address changed since the last time we were notified? 020 1 Yes ☐ 2 No ☒

021 c/o

022

023

City: 025 | Province, territory, or state: 026

Country (other than Canada): 027 | Postal code/ZIP code: 028

Location of books and records

Has the location of books and records changed since the last time we were notified? 030 1 Yes ☐ 2 No ☒

031 300 Northfield Drive East

032

City: 035 Waterloo | Province, territory, or state: 036 ON

Country (other than Canada): 037 | Postal code/ZIP code: 038 N2J-4A3

To which taxation year does this return apply?

Taxation year start	Taxation year-end
060 2004-01-01	061 2004-12-31
YYYY/MM/DD	YYYY/MM/DD

Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? 063 1 Yes ☐ 2 No ☒

If *Yes*, give the date control was acquired 065 ____ YYYY/MM/DD

Is the corporation a professional corporation that is a member of a partnership? 067 1 Yes ☐ 2 No ☒

Is this the first year of filing after:

Incorporation? 070 1 Yes ☐ 2 No ☒

Amalgamation? 071 1 Yes ☐ 2 No ☒

If *Yes*, complete and attach Schedule 24.

Has there been a windup of a subsidiary under section 88 during the current taxation year? 072 1 Yes ☐ 2 No ☒

If *Yes*, complete and attach Schedule 24.

Is this the final taxation year before amalgamation? 076 1 Yes ☐ 2 No ☒

Is this the final return up to dissolution? 078 1 Yes ☐ 2 No ☒

Is the corporation a resident of Canada?

080 1 Yes ☒ 2 No ☐ If *No*, give the country of residence.

081

Is the non-resident corporation claiming an exemption under an income tax treaty? 082 1 Yes ☐ 2 No ☒

If *Yes*, complete and attach Schedule 91.

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

085
1 ☐ Exempt under paragraph 149(1)(e) or (l)
2 ☐ Exempt under paragraph 149(1)(j)
3 ☐ Exempt under paragraph 149(1)(t)
4 ☐ Exempt under other paragraphs of section 149

040 **Type of corporation at the end of the taxation year**

1 ☒ Canadian-controlled private corporation (CCPC)
2 ☐ Other private corporation
3 ☐ Public corporation
4 ☐ Corporation controlled by a public corporation
5 ☐ Other corporation (specify, below)

If the type of corporation changed during the taxation year, provide the effective date of the change 043 ____ YYYY/MM/DD

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.

* We do not print these schedules.

Guide	Item		Yes	Schedule
27	Is the corporation related to any other corporations?	150	X	9
28	Does the corporation have any non-resident shareholders?	151		19
29	Is the corporation an associated Canadian-controlled private corporation?	160	X	23
30	Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit?	161		49
32	Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162		11
33	If you answered *Yes* to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44
34	Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
35	Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
37	Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166		T5004
38	Is the corporation a member of a partnership for which a partnership identification number has been assigned?	167		T5013
40	Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust?	168		22
41	Did the corporation have any foreign affiliates during the year?	169		25
42	Has the corporation made any payments to non-residents of Canada under subsections 202(1) and 105(1) of the federal *Income Tax Regulations*?	170		29
43	Has the corporation had any non-arm's length transactions with a non-resident?	171		T106
47	Has the corporation made payments to, or received amounts from, a retirement compensation arrangement in the year?	172		—
46	For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	X	50
55	Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	X	1
78-81	Has the corporation made any charitable donations, gifts to Canada, a province or a territory, or gifts of cultural or ecological property?	202		2
82,104	Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203		3
69-76	Is the corporation claiming any type of losses?	204		4
132	Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205		5
56	Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206		6
103	i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return, b) a partnership, c) a foreign business, or d) a personal services business; or ii) is the corporation claiming the refundable portion of Part I tax?	207		7
57	Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
58	Does the corporation have any property that is eligible capital property?	210		10
59	Does the corporation have any resource-related deductions?	212		12
60	Is the corporation claiming reserves of any kind?	213		13
61	Is the corporation claiming a patronage dividend deduction?	216		16
62	Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217		17
150	Is the corporation an investment corporation or a mutual fund corporation?	218		18
131	Was the corporation carrying on business in Canada as a non-resident corporation?	220		20
118	Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221		21
155	Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226		26 *
111	Does the corporation have any Canadian manufacturing and processing profits?	227		27
121	Is the corporation claiming an investment tax credit?	231		31
63	Is the corporation claiming any scientific research and experimental development expenditures?	232		T661
124	Is the corporation subject to gross Part I.3 tax?	233	X	33/34/35
124	Is the corporation a member of a related group with one or more members subject to gross Part I.3 tax?	236	X	36
124	Is the corporation claiming a surtax credit?	237		37
128	Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
128	Is the corporation claiming a Part I tax credit?	242		42
129	Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243		43
129	Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
125	Is the corporation subject to Part II – Tobacco Manufacturers' surtax?	249		46
128	For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250		39
152	Is the corporation claiming a Canadian film or video production tax credit refund?	253		T1131
153	Is the corporation claiming a film or video production services tax credit refund?	254		T1177
130	Is the corporation subject to Part XIII.1 tax?	255		92 *

Attachments – continued from page 2

Guide item			Yes	Schedule
44	Did the corporation have any foreign affiliates that are not controlled foreign affiliates?	256		T1134-A
44	Did the corporation have any controlled foreign affiliates?	258		T1134-B
44	Did the corporation own specified foreign property in the year with a cost amount over $100,000?	259		T1135
44	Did the corporation transfer or loan property to a non-resident trust?	260		T1141
44	Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	261		T1142
—	Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	262		T1145
—	Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	263		T1146
—	Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	264		T1174

Additional information

Is the corporation inactive?	280	1 Yes		2 No	X
Has the major business activity changed since the last return was filed? (enter *Yes* for first-time filers)	281	1 Yes		2 No	X

What is the corporation's major business activity? (Only complete if *Yes* was entered at line 281.) 282 _____

If the major activity involves the resale of goods, indicate whether it is wholesale or retail 283 1 Wholesale ☐ 2 Retail ☐

Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.				
	284	Electricity	285	100%
	286		287	0%
	288		289	0%

Did the corporation immigrate to Canada during the taxation year?	291	1 Yes		2 No	X
Did the corporation emigrate from Canada during the taxation year?	292	1 Yes		2 No	X

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI			300	5,348,636 A
Deduct: Charitable donations from Schedule 2	311	0		
Gifts to Canada, a province, or a territory from Schedule 2	312	0		
Cultural gifts from Schedule 2	313	0		
Ecological gifts from Schedule 2	314	0		
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320	0		
Part VI.1 tax deduction from Schedule 43*	325	0		
Non-capital losses of preceding taxation years from Schedule 4	331	0		
Net-capital losses of preceding taxation years from Schedule 4	332	0		
Restricted farm losses of preceding taxation years from Schedule 4	333	0		
Farm losses of preceding taxation years from Schedule 4	334	0		
Limited partnership losses of preceding taxation years from Schedule 4	335	0		
Taxable capital gains or taxable dividends allocated from a central credit union	340	0		
Prospector's and grubstaker's shares	350	0		
Subtotal		0		0 B
Subtotal (amount A minus amount B) (if negative, enter "0")				5,348,636 C
Add: Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions			355	0 D
Taxable income (amount C plus amount D)			360	5,348,636
Income exempt under paragraph 149(1)(t)			370	0
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370)				5,348,636 Z

* This amount is equal to 3 times the Part VI.1 tax payable at line 724 on page 8.

Small business deduction

Canadian-controlled private corporations (CCPCs) throughout the taxation year

Income from active business carried on in Canada from Schedule 7 ..... 400 5,348,636 A

Taxable income from line 360 on page 3, **minus** 10/3 of the amount at line 632* on page 7, **minus** 3 times the amount at line 636** on page 7, and **minus** any amount that, because of federal law, is exempt from Part I tax ... 405 5,348,636 B

Calculation of the business limit:
For all CCPCs, calculate the amount at line 4 below.

200,000	x	Number of days in the taxation year before 2003 / Number of days in the taxation year	0 / 366	=	0	1
225,000	x	Number of days in the taxation year in 2003 / Number of days in the taxation year	0 / 366	=	0	2
250,000	x	Number of days in the taxation year in 2004 / Number of days in the taxation year	366 / 366	=	250,000	3
300,000	x	Number of days in the taxation year after 2004 / Number of days in the taxation year	0 / 366	=	0	3.1

Add amounts at lines 1, 2, 3, and 3.1 250,000 4

Business limit (see notes 1 and 2 below) ..... 410 250,000 C

Notes: 1. For CCPCs that are note associated, enter the amount from line 4 at line 410. However, if the corporation's taxation year is less than 51 weeks, prorate the amount from line 4 by the number of days in the taxation year divided by 365, and enter the result on line 410.

2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered at line 410.

Business limit reduction:

Amount C 250,000 x 415*** 192,763 D / 11,250 = 4,283,622 E

Reduced business limit (amount C minus amount E) (if negative, enter "0") ..... 425 0 F

Small business deduction - 16.00% of whichever amount is least: A, B, C, or F (enter amount G on line 9 of page 7) ..... 430 0 G

* Calculate the amount of foreign non-business income tax credit deductible at line 632 without reference to the refundable tax on the CCPC's investment income (line 604) and without reference to the corporate tax reductions under section 123.4.

** Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

*** **Large corporation tax**

- The large corporation tax to be entered at line 415 is the gross Part I.3 tax, which is the amount before deducting the surtax credits, increased to reflect a full-year tax liability if the taxation year is less than 51 weeks. For the purpose of the business limit reduction, the gross Part I.3 tax is equal to 0.225% x (taxable capital employed in Canada minus $10,000,000).
- If the corporation is not associated with any corporation in both the current and the preceding taxation years, enter the corporation's gross Part I.3 tax for its **preceding** taxation year.
- If the corporation is not associated with any corporation in the current taxation year, but was associated in the preceding taxation year, and its current taxation year:
  - starts before December 21, 2002, enter the corporation's gross Part I.3 tax for its **preceding** taxation year; or
  - starts after December 20, 2002, enter the corporation's gross Part I.3 tax for its **current** taxation year.
- For corporations associated in the current taxation year, see Schedule 23 for the special rules that apply.

Accelerated tax reduction

Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction

Reduced business limit (amount from line 425) ..... 0 x 300,000 / line 4 above = 0 A

Net active business income (amount from line 400) * ..... 5,348,636 B

Taxable income from line 360 on page 3 **minus** 3 times the amount at line 636** on page 7, and **minus** any amount that, because of federal law, is exempt for Part I tax ..... 5,348,636 C

Deduct:

Aggregate investment income (amount from line 440 of page 6) ..... 0 D

Amount C minus amount D (if negative, enter "0") ..... 5,348,636 5,348,636 E

Amount A, B, or E above, whichever is less ..... 0 F

Amount Z from Part 9 of Schedule 27 ..... 0 x 100/7 = 0 G

Amount QQ from Part 13 of Schedule 27 ..... 0 H

Taxable resource income from line 435 of page 5 ..... 0 I

Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) .. 0 J

Amount on line 400, 405, 410, or 425 of the small business deduction, whichever is less .. 0 K

Total of amounts G, H, I, J, and K ..... 0 0 L

Amount F minus amount L (if negative, enter "0") ..... 0 M

Accelerated tax reduction - 7% of amount M (enter amount N on line 637 of page 7) ..... 0 N

* If the amount at line 450 of Schedule 7 is positive, members of partnerships need to use Schedule 70 to calculate net active business income.

** Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

Resource deduction

Taxable resource income [as defined in subsection 125.11(1)] ..... 435 0 A

Amount A	0	x	Number of days in the taxation year in 2003 / Number of days in the taxation year	0 / 366	x 1% =	0 B
Amount A	0	x	Number of days in the taxation year in 2004 / Number of days in the taxation year	366 / 366	x 2% =	0 C
Amount A	0	x	Number of days in the taxation year in 2005 / Number of days in the taxation year	0 / 366	x 3% =	0 C.1
Amount A	0	x	Number of days in the taxation year in 2006 / Number of days in the taxation year	0 / 366	x 5% =	0 C.2

Resource deduction – total of amounts B, C, C.1, and C.2 ..... 438 0 D
(enter amount D on line 10 of page 7)

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the taxation year

Taxable income from line 360 on page 3 ..... 5,348,636 E

Amount Z from Part 9 of Schedule 27	0 x 100/7 =	0	F
Amount QQ from Part 13 of Schedule 27		0	G
Taxable resource income from line 435 above		0	H
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)		0	I
Amount on line 400, 405, 410, or 425 on page 4, whichever is less		0	J
Aggregate investment income from line 440 of page 6		0	K
Amount used to calculate the accelerated tax reduction (amount M of page 4)		0	L
Total of amounts F, G, H, I, J, K, and L		0	M

Amount E minus amount M (if negative, enter "0") ..... 5,348,636 N

Amount N	5,348,636	x	Number of days in the taxation year in 2002 / Number of days in the taxation year	0 / 366	x 3% =	0 O
Amount N	5,348,636	x	Number of days in the taxation year in 2003 / Number of days in the taxation year	0 / 366	x 5% =	0 P
Amount N	5,348,636	x	Number of days in the taxation year after 2003 / Number of days in the taxation year	366 / 366	x 7% =	374,405 Q

General tax reduction for Canadian-controlled private corporations - total of amounts O, P, and Q ..... 374,405 R
(enter amount R on line 638 of page 7)

General tax reduction

Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or a non-resident-owned investment corporation

Taxable income from line 360 of page 3 ..... 0 S

Amount Z from Part 9 of Schedule 27	0 x 100/7 =	0	T
Amount QQ from Part 13 of Schedule 27		0	U
Taxable resource income from line 435 above		0	V
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)		0	W
Total of amounts T, U, V, and W		0	X

Amount S minus amount X (if negative, enter "0") ..... 0 Y

Amount Y	0	x	Number of days in the taxation year in 2002 / Number of days in the taxation year	0 / 366	x 3% =	0 Z
Amount Y	0	x	Number of days in the taxation year in 2003 / Number of days in the taxation year	0 / 366	x 5% =	0 AA
Amount Y	0	x	Number of days in the taxation year after 2003 / Number of days in the taxation year	366 / 366	x 7% =	0 BB

General tax reduction - total of amounts Z, AA, and BB ..... 0 CC
(enter amount CC on line 639 of page 7)

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the taxation year

Aggregate investment income (amount P from Part 1 of Schedule 7)	440	0 x 26 2/3% =		0 A
Foreign non-business income tax credit from line 632 on page 7			0	
Deduct:				
Foreign investment income (amount O from Part 1 of Schedule 7)	445	0 x 9 1/3% =	0	
		(if negative, enter "0")	0	0 B
Amount A minus amount B (if negative, enter "0")				0 C
Taxable income from line 360 on page 3			5,348,636	
Deduct:				
Amount on line 400, 405, 410, or 425 on page 4, whichever is less		0		
Foreign non-business income tax credit from line 632 of page 7		0 x 25/9 = 0		
Foreign business income tax credit from line 636 of page 7		0 x 3 = 0		
		0	0	
			5,348,636 x 26 2/3% =	1,426,303 D
Part I tax payable minus investment tax credit refund (line 700 minus line 780 of page 8)			1,183,118	
Deduct: Corporate surtax from line 600 of page 7			59,905	
Net amount			1,123,213	1,123,213 E
Refundable portion of Part I tax – Amount C, D, or E, whichever is less	450			0 F

Refundable dividend tax on hand

Refundable dividend tax on hand at the end of the preceding taxation year	460	0	
Deduct: Dividend refund for the previous taxation year	465	0	
		0	0 A
Add the total of:			
Refundable portion of Part I tax from line 450 above		0	
Total Part IV tax payable from line 360 on page 2 of Schedule 3		0	
Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation	480	0	
		0	0 B
Refundable dividend tax on hand at the end of the taxation year – Amount A plus amount B	485		0

Dividend refund

Private and subject corporations at the time taxable dividends were paid in the taxation year

Taxable dividends paid in the taxation year from line 460 on page 2 of Schedule 3	0	x 1/3	0 A
Refundable dividend tax on hand at the end of the taxation year from line 485 above			0 B
Dividend refund – Amount A or B, whichever is less (enter this amount on line 784 of page 8)			0

Part I tax

Base amount of Part I tax – 38.00% of taxable income (line 360 or amount Z, whichever applies) from page 3 ..... 550 2,032,482 A

Corporate surtax calculation

Base amount from line A above	2,032,482	1
Deduct:		
10% of taxable income (line 360 or amount Z, whichever applies) from page 3	534,864	2
Investment corporation deduction from line 620 below	0	3
Federal logging tax credit from line 640 below	0	4
Federal qualifying environmental trust tax credit from line 648 below	0	5

For a mutual fund corporation or an investment corporation throughout the taxation year, enter amount a, b, or c below on line 6, whichever is less:

28.00% of taxable income from line 360 of page 3	0 a	
28.00% of taxed capital gains	0 b	0 6
Part I tax otherwise payable (line A **plus** lines C and D **minus** line F)	0 c	
Total of lines 2 to 6		534,864 7
Net amount (line 1 minus line 7)		1,497,618 8

Corporate surtax – 4.00% of the amount on line 8 ..... 600 59,905 B

Recapture of investment tax credit from line PPP in Part 21 of Schedule 31 ..... 602 0 C

Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income (for a CCPC throughout the taxation year)

Aggregate investment income from line 440 on page 6		0	i
Taxable income from line 360 on page 3	5,348,636		
Deduct:			
Amount on lines 400, 405, 410, or 425 of page 4, whichever is less	0		
Net amount	5,348,636	5,348,636	ii

Refundable tax on CCPC's investment income – 6 2/3% of the lesser of amounts i or ii ..... 604 0 D

Subtotal (add lines A, B, C, and D) 2,092,387 E

Deduct:

Small business deduction from line 430 of page 4		0	9
Federal tax abatement	608	534,864	
Manufacturing and processing profits deduction from amount BB or amount RR of Schedule 27	616	0	
Investment corporation deduction	620	0	
(taxed capital gains 624 0)			
Additional deduction – credit unions from Schedule 17	628	0	
Federal foreign non-business income tax credit from Schedule 21	632	0	
Federal foreign business income tax credit from Schedule 21	636	0	
Accelerated tax reduction from amount N of page 4	637	0	
Resource deduction from line 438 of page 5		0	10
General tax reduction for CCPCs from amount R of page 5	638	374,405	
General tax reduction from amount CC of page 5	639	0	
Federal logging tax credit from Schedule 21	640	0	
Federal political contribution tax credit	644	0	
Federal political contributions 646 0			
Federal qualifying environmental trust tax credit	648	0	
Investment tax credit from Schedule 31	652	0	
Subtotal		909,269	909,269 F

Part I tax payable – Line E minus line F (enter amount G on line 700 of page 8) ..... 1,183,118 G

Summary of tax and credits

Federal tax

Part I tax payable from page 7	700	1,183,118
Part I.3 tax payable from Schedule 33, 34, or 35	704	25,408
Part II surtax payable from Schedule 46	708	0
Part IV tax payable from Schedule 3	712	0
Part IV.1 tax payable from Schedule 43	716	0
Part VI tax payable from Schedule 38	720	0
Part VI.1 tax payable from Schedule 43	724	0
Part XIII.1 tax payable from Schedule 92	727	0
Part XIV tax payable from Schedule 20	728	0
Total federal tax		1,208,526

Add provincial and territorial tax:

Provincial or territorial jurisdiction 750 ON

(if more than one jurisdiction, enter "multiple" and complete Schedule 5)

Net provincial and territorial tax payable (except Quebec, Ontario, and Alberta)	760	0	
Provincial tax on large corporations (New Brunswick and Nova Scotia)	765	0	
		0	0
Total tax payable	770		1,208,526 A

Deduct other credits:

Investment tax credit refund from Schedule 31	780	0	
Dividend refund from page 6	784	0	
Federal capital gains refund from Schedule 18	788	0	
Federal qualifying environmental trust tax credit refund	792	0	
Canadian film or video production tax credit refund from Form T1131	796	0	
Film or video production services tax credit refund from Form T1177	797	0	
Tax withheld at source	800	0	
Total payments on which tax has been withheld 801		0	
Allowable refund for non-resident-owned investment corporations from Schedule 26	804	0	
Provincial and territorial capital gains refund from Schedule 18	808	0	
Provincial and territorial refundable tax credits from Schedule 5	812	0	
Royalties deductible under Syncrude Remission Order 815		0	
Tax remitted under Syncrude Remission Order	816	0	
Tax instalments paid	840	0	
Total credits	890	0	0 B
Balance (line A minus line B)			1,208,526

Refund code 894 0 Overpayment 0

If the result is negative, you have an **overpayment**.
If the result is positive, you have a **balance unpaid**.

Enter the amount on whichever line applies.
We do not charge or refund a difference of $2 or less.

Balance unpaid 1,208,526

Enclosed payment 898 1,208,526

Direct deposit request

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:

☐ Start ☐ Change information 910 Branch number

914 Institution number 918 Account number

If the corporation is a Canadian-controlled private corporation throughout the taxation year, does it qualify for the one-month extension of the date the balance of tax is due? 896 1 Yes ☐ 2 No ☒

Certification

I, 950 Singh (Last name in block letters) 951 Albert (First name in block letters) 954 VP Finance & CEO (Position, office, or rank)

am an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I further certify that the method of calculating income for this taxation year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.

955 Date (yyyy/mm/dd) Signature of the authorized signing officer of the corporation 956 519-886-5090 Telephone number

Is the contact person the same as the authorized signing officer? If *No*, complete the information below 957 1 Yes ☒ 2 No ☐

958 Name in block letters 959 Telephone number

Language of correspondence - Langue de correspondance

990 Indicate the language of your choice. Indiquer la langue de correspondance de votre choix. 1 English/Anglais ☒ 2 Français/French ☐

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

NET INCOME (LOSS) FOR INCOME TAX PURPOSES

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes.
- Please provide us with the applicable details in the identification area, and complete the applicable lines that contain a numbered black box. You should report amounts in accordance with the Generally Accepted Accounting Principles (GAAP).
- Sections, subsections, and paragraphs referred to an this schedule are from the "Income Tax Act."
- For more information, see the "T2 Corporation Income Tax Guide."

Net income (loss) after taxes and extraordinary items per financial statements			3,022,256 A

Additions:

Provision for income taxes - current	101	1,957,384	
Amortization of tangible assets	104	6,023,732	
Non-deductible meals and entertainment expenses	121	8,921	
Reserves from financial statements - balance at the end of the year	126	3,141,233	
Subtotal of additions		11,131,270	11,131,270

Other Additions:

Miscellaneous Other Additions:

Subtotal of Other Additions	199	0	0
Total Additions	500		11,131,270

Deductions:

Gain on disposal of assets per financial statements	401	24,808	
Capital cost allowance from Schedule 8	403	5,796,270	
Reserves from financial statements-balance at the beginning of the year	414	2,983,812	
Subtotal of Deductions		8,804,890	8,804,890

Other Deductions:

Miscellaneous Other Deductions:

Subtotal of Other Deductions	499	0	0
Total Deductions	510		8,804,890

Net income (loss) for income tax purposes	5,348,636
(enter on line 300 on the T2 return)	

Summary of Capital Cost Allowance

Is the corporation electing under regulation 1101(5q)? [101] N

Class No. [200]	UCC at Beginning of Year [201]	Cost of Additions During Year [203]	Adjustments [205]	Lesser of Cost or Proceeds [207]	1/2 of [203]-[207] [211]	Rate % [212]	Recapture of Capital Cost Allowance [213]	Terminal Loss [215]	Capital Cost Allowance [217]	Undepreciated Capital Cost end of year [220]
1	90,172,744	4,374,734	0	0	2,187,367	4	0	0	3,694,404	90,853,074
8	4,204,072	928,359	0	0	464,179	20	0	0	933,650	4,198,781
10	2,820,502	590,709	0	30,857	279,926	30	0	0	930,128	2,450,226
12	20,408	435,360	0	0	217,680	100	0	0	238,088	217,680
Total	97,217,726	6,329,162	0	30,857	3,149,152		0	0	5,796,270	97,719,761

Account/Business No.: 865844575RC0001 Year Ended: 2004-12-31

RELATED AND ASSOCIATED CORPORATIONS

This schedule is to be completed by a corporation having one or more of the following:
- related corporation(s)
- associated corporation(s)

Name	Ctry of resi-dence	Business Number (Note)	Rela-tion-ship Code	Number of common shares owned	% of common shares owned	Number of preferred shares owned	% of pre-ferred shares owned	Book value of capital stock
[100]	[200]	[300]	[400]	[500]	[550]	[600]	[650]	[700]
WATERLOO NORTH HYDRO HOLDING	NR		1	0	0.00	0	0.00	0

Note: Enter "NR" if a corporation is not registered.

Relationship code:

1 - Parent 2 - Subsidiary 3 - Associated 4 - Related, but not associated

The relationship code represents the relationship that the corporation named has to the filing corporation. For example, if the corporation is the parent corporation of the filing corporation, then the relationship code is "1".

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

CONTINUITY OF RESERVES

- For use by corporations to provide a continuity of all reserves claimed which are allowed for tax purposes.
- References to parts, sections, subsections, paragraphs, and subparagraphs are from the federal "Income Tax Act".
- File one completed copy of this schedule with the corporation's "T2 Corporation Income Tax Return".
- For more information, see the "T2 Corporation Income Tax Guide".

Part 1 - Capital gains reserves

Description of property	Balance at the beginning of the year	Transfer on amalgamation or wind-up of subsidiary	Add	Deduct	Balance at the end of the year
001	$ 002	$ 003	$	$	$ 004
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
Totals 008	0 009	0	0	0 010	0

The total capital gains reserve at the beginning of the taxation year plus the total capital gains reserve transfer on amalgamation or wind-up of subsidiary should be entered on line 880, and the total capital gains reserve at the end of the taxation year, should be entered on line 885 of Schedule 6.

Financial Statement Reserves (not deductible)

Description	Balance at the beginning of the year	Transfer on amalgamation or wind-up of subsidiary	Add	Deduct	Balance at the end of the year
VESTED SICK LEAVE	233,815	0	0	28,831	204,984
POST EMPLOYMENT BENEFITS	2,645,997	0	186,252	0	2,832,249
ALLOWANCE FOR DOUBTFUL ACCTS	104,000	0	0	0	104,000
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
Reserves From Section 2 below	0	0	0	0	0
Totals	2,983,812	0	186,252	28,831	3,141,233

The total opening balance plus the total transfers should be entered on line 414 of Schedule 1 as a deduction.
The total closing balance should be entered on line 126 of Schedule 1 as an addition.

Part 2 - Other reserves

Description	[X]		Balance at the beginning of the year		Transfer on amalgamation or wind-up of subsidiary	Add	Deduct		Balance at the end of the year
			$		$	$	$		$
Reserve for doubtful debts	[ ]	110	0	115	0	0	0	120	0
Reserve for undelivered goods and services not rendered	[ ]	130	0	135	0	0	0	140	0
Reserve for prepaid rent	[ ]	150	0	155	0	0	0	160	0
Reserve for December 31, 1995 income	[ ]	170	0	175	0	0	0	180	0
Reserve for refundable containers	[ ]	190	0	195	0	0	0	200	0
Reserve for unpaid amounts	[ ]	210	0	215	0	0	0	220	0
Other tax reserves	[ ]	230	0	235	0	0	0	240	0
Totals		270	0	275	0	0	0	280	0

Enter "X" in the column above if the tax reserve has also been reported on the corporation's financial statements. This allows offsetting entries on Schedule 1, resulting in a zero effect on net income for tax purposes.

The amount from line 270 plus the amount from line 275 should be entered on line 125 of Schedule 1 as an addition.

The amount from line 280 should be entered on line 413 of Schedule 1 as a deduction.

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

AGREEMENT AMONG ASSOCIATED CANADIAN-CONTROLLED PRIVATE CORPORATIONS TO ALLOCATE THE BUSINESS LIMIT

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to assign a percentage for each associated corporation. This percentage will be used to allocate the business limit for purposes of the small business deduction. Information from this schedule will also be used to determine the date the balance of tax is due and to calculate the reduction to the business limit.

- An associated CCPC that has more than one taxation year ending in a calendar year, is required to file an agreement for each taxation year ending in that calendar year.

Column 1: Enter the legal name of each of the corporations in the associated group, including non-CCPCs and CCPCs that have filed an election under subsection 256(2) of the "Income Tax Act," not to be associated for purposes of the small business deduction.

Column 2: Provide the Business Number for each corporation (if a corporation is not registered, enter "NR").

Column 3: Enter the code that applies to each corporation:
- 1 - associated for purposes of allocating the business limit (unless association code 5 applies)
- 2 - CCPC that is a "third corporation" that has elected under subsection 256(2) not to be associated for purposes of the small business deduction
- 3 - non-CCPC that is a "third corporation" as defined in subsection 256(2)
- 4 - associated non-CCPC
- 5 - associated CCPC that is not associated for purposes of allocating the business limit because of a subsection 256(2) election made by a "third corporation"

Column 4: Enter the business limit for the year of each corporation in the associated group that is computed at line 4 on page 4 of each respective corporation's T2 return.

Column 5: Assign a percentage to allocate the business limit to each corporation that has an association code 1 in column 3. The total of all percentages in column 5 cannot exceed 100%.

Column 6: Enter the business limit allocated to each corporation by multiplying the amount in column 4 times the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A. Ensure that the total at line A is equal to an amount in one of the following ranges, whichever applies:
- from $200,001 to $225,000, if the calendar year to which this agreement applies is 2003;
- from $225,001 to $250,000, if the calendar year to which this agreement applies is 2004; or
- from $250,001 to $300,000, if the calendar year to which this agreement applies is 2005.

If the calendar year to which this agreement applies is after 2005, ensure that the total at line A does not exceed $300,000.

Allocation of the business limit

		Year Month Day
Date filed (do not use this area)	025	
		Year
Enter the calendar year to which the agreement applies	050	2004

Allocation of the business limit (cont'd)

Is this an amended agreement for the above-noted calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? ..... 075 [Y/N] [N]

1	2	3	4	5	6
Names of associated corporations	Business Number of associated corporations	Asso-ciation code	Business limit for the year (before the allocation) $	Percentage of the business limit %	Business limit allocated * $
100	200	300		350	400
Waterloo North Hydro Inc.	865844575RC0001	1	250,000	100.0000	250,000
See attached				.0000	0
			Total	100.0000	250,000 A

* The % of the annual business limit required to maximize the small business deduction is .0000%.

100.0000% of the annual business limit can be attributed to an associated corporation.

Business limit reduction under subsection 125(5.1)

The business limit reduction is calculated in the small business deduction area of the T2 return. One of the amounts used in this calculation is the "Large corporation tax" at line 415 of the T2 return. If the corporation is a member of an associated group*** of corporations in the current taxation year, and that taxation year:

- starts before December 21, 2002, the amount at line 415 of the T2 return is equal to the gross Part I.3 tax of each corporation in the associated group*** for its last taxation year ending in the preceding calendar year. The gross Part I.3 tax is the amount before deducting the surtax credits, which is increased to reflect a full-year tax liability if the taxation year is less than 51 weeks; or
- starts after December 20, 2002, the amount at line 415 of the T2 return is equal to 0.225% x (A - $10,000,000) where, "A" is the total of taxable capital employed in Canada** of each corporation in the associated group*** for its last taxation year ending in the preceding calendar year.

* Each corporation will enter on line 410 of the T2 return, the amount allocated to it in column 6. However, if the corporation's taxation year is less than 51 weeks, prorate the amount in column 6 by the number of days in the taxation year divided by 365, and enter the result on line 410 of the T2 return.

If a CCPC has more than one taxation year ending in a calendar year and is associated in more than one of those years with another CCPC that has a taxation year ending in the same calendar year, the business limit for the second (and subsequent) taxation year(s) will be equal to the business limit allocated for the first taxation year ending in the calendar year.

** "Taxable capital employed in Canada" has the meaning assigned by subsection 181.2(1) or 181.3(1) or section 181.4 of the "Income Tax Act."

*** The associated group includes the corporation filing this schedule and each corporation that has an "association code" of 1 or 4 in column 3.

AGREEMENT AMONG ASSOCIATED CCPC's TO ALLOCATE THE BUSINESS LIMIT

1	2	3	4	5	6	7
Name of associated corporation [100]	Business Number of associated corporation [200]	Asso-ciation code [300]	Business limit (before the allo-cation)	Percentage of the business limit % [350]	Business limit allocated $ [400]	Part I.3 Tax
WATERLOO NORTH HYDRO HOLDING	NR	1	250,000	.0000	0	0
TOTALS			250,000	.0000	0	0

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

PART I.3 TAX ON LARGE CORPORATIONS

- This schedule is for use by corporations (other than financial institutions and insurance corporations) that have Part I.3 tax payable before deducting surtax credits (line 820 in Part 5). You should also use and file this schedule if you calculate a **gross Part I.3 tax for the purposes or unused surtax credit** (line 821 in Part 6) and a **current-year unused surtax credit** (line 850 in Part 8).
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the federal "Income Tax Act" and the "Income Tax Regulations."
- Subsection 181(1) defines the terms "financial institution," "long-term debt," and "reserves."
- Subsection 181(3) provides the basis to determine the carrying value of a corporation's assets or any other amount under Part I.3 for its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or for a partnership in which it has an interest.
- No Part I.3 tax is payable for a taxation year by a corporation that was:
  1) a non-resident-owned investment corporation throughout the year;
  2) bankrupt [as defined by subsection 128(3)] at the end of the year;
  3) a deposit insurance corporation throughout the year, as defined by subsection 137.1(5), or deemed to be a deposit insurance corporation by subsection 137.1(5.1);
  4) exempt from tax under section 149 throughout the year on all of its taxable income;
  5) neither resident in Canada nor carrying on a business through a permanent establishment in Canada at any time in the year; or
  6) a corporation described in subsection 136(2) throughout the year, the principal business of which was marketing (including any related processing) natural products belonging to or acquired from its members or customers.
- File the completed Schedule 33 with the "T2 Corporation Income Tax Return" no later than six months from the end of the taxation year.
- This schedule may contain changes that had not yet become law at the time of printing.

Complete the following areas to determine the amounts needed to calculate Part I.3 tax. If the corporation was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 4, "Taxable capital employed in Canada."

Part 1 - Capital

Add the following amounts at the end of the year:

Reserves that have not been deducted in computing income for the year under Part I	101	3,141,233
Capital stock (or members' contributions if incorporated without share capital)	103	24,370,424
Retained earnings	104	12,900,152
Contributed surplus	105	0
Any other surpluses	106	0
Deferred unrealized foreign exchange gains	107	0
All loans and advances to the corporation	108	53,424,127
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109	0
Any dividends declared but not paid by the corporation before the end of the year	110	0
All other indebtedness of the corporation (other than any indebtedness in respect of a lease) that has been outstanding for more than 365 days before the end of the year	111	0

Part 1 - Capital (cont'd)

Proportion of the amount, if any, by which the total of all amounts (see note below) for the partnership of which the corporation is a member at the end of the year exceeds the amount of the partnership's deferred unrealized foreign exchange losses	112	0		
	Subtotal	93,835,936	93,835,936	A
Deduct the following amounts:				
Deferred tax debit balance at the end of the year	121	0		
Any deficit deducted in computing its shareholders' equity (including, for this purpose, the amount of any provision for the redemption of preferred shares) at the end of the year	122	0		
Any amount deducted under subsection 135(1) in computing income under Part I for the year, to the extent that the amount may reasonably be regarded as being included in any of lines 101 to 112 above	123	0		
The amount of deferred unrealized foreign exchange losses at the end of the year	124	0		
	Subtotal	0	0	B
Capital for the year (amount A minus amount B) (if negative, enter "0")	190		93,835,936	

Note:

Lines 101, 107, 108, 109, 111, and 112 are determined as follows:

- If the partnership is a member of another partnership (tiered partnerships), include the amounts of the partnership and tiered partnerships.
- Amounts for the partnership and tiered partnerships are those that would be determined under lines 101, 107, 108, 109, 111, and 112 as if they apply in the same way that they apply to corporations.
- Amounts owing to the member or to other corporations that are members of the partnership are not to be included.
- Amounts are determined as at the end of the last fiscal period of the partnership ending in the year of the corporation.
- The proportion of the total amounts is determined by the corporation's share of the partnership's income or loss for the fiscal period of the partnership.

Part 2 - Investment allowance

Add the carrying value at the end of the year of the following assets of the corporation:		
A share of another corporation	401	0
A loan or advance to another corporation (other than a financial institution)	402	1,200,000
A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution)	403	0
Long-term debt of a financial institution	404	0
A dividend receivable on a share of the capital stock of another corporation	405	0
A loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim, or similar obligation of, a partnership all of the members of which, throughout the year, were other corporations (other than financial institutions) that were not exempt from tax under Part I.3 (other than by reason of paragraph 181.1(3)(d))	406	0
An interest in a partnership (see note 1 below)	407	0
Investment allowance for the year	490	1,200,000

Part 2 - Investment allowance (cont'd)

Notes:

1) Where the corporation has an interest in a partnership or tiered partnerships, consider the following:
   - the investment allowance of a partnership is deemed to be the amount calculated at line 490 above, at the end of its fiscal period, as if it was a corporation;
   - the total of the carrying value of each asset of the partnership described in the above lines is for its last fiscal period ending at or before the end of the corporation's taxation year; and
   - the carrying value of a partnership member's interest at the end of the year is its specified proportion [as defined in subsection 248(1)] of the partnership's investment allowance.

2) Lines 401 to 405 should not include the carrying value of a share of the capital stock of, a dividend payable by, or indebtedness of a corporation that is exempt from tax under Part I.3 [other than by reason of paragraph 181.1(3)(d)].

3) Where a trust is used as a conduit for loaning money from a corporation to another related corporation (other than a financial institution), the loan will be considered to have been made directly from the lending corporation to the borrowing corporation, according to subsection 181.2(6).

Part 3 - Taxable capital

Capital for the year (line 190)		93,835,936	C
Deduct: Investment allowance for the year (line 490)		1,200,000	D
Taxable capital for the year			
(amount C minus amount D) (if negative, enter "0")	500	92,635,936	

Part 4 - Taxable capital employed in Canada

To be completed by a corporation that was resident in Canada at any time in the year

Taxable capital for the year (line 500)	92,635,936	X	Taxable income earned in Canada / Taxable income	610	5,348,636 / 5,348,636 =	**Taxable capital employed in Canada**	690	92,635,936

Notes:

1) Regulation 8601 gives details on calculating the amount of taxable income earned in Canada.
2) Where a corporation's taxable income for a taxation year is "0," it shall, for the purposes of the above calculation, be deemed to have a taxable income for that year of $1,000.
3) In the case of an airline corporation, Regulation 8601 should be considered when completing the above calculation.

Part 4 - Taxable capital employed in Canada (cont'd)

To be completed by a corporation that was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada

Total of all amounts each of which is the carrying value at the end of the year of an asset of the corporation used in the year or held in the year, in the course of carrying on any business it carried on during the year through a permanent establishment in Canada	701		0
Deduct the following amounts:			
Corporation's indebtedness at the end of the year [other than indebtedness described in any of paragraphs 181.2(3)(c) to (f)] that may reasonably be regarded as relating to a business it carried on during the year through a permanent establishment in Canada	711	0	
Total of all amounts each of which is the carrying value at the end of year of an asset described in subsection 181.2(4) of the corporation that it used in the year, or held in the year, in the course of carrying on any business it carried on during the year through a permanent establishment in Canada	712	0	
Total of all amounts each of which is the carrying value at the end of year of an asset of the corporation that is a ship or aircraft the corporation operated in international traffic, or personal property used or held by the corporation in carrying on any business during the year through a permanent establishment in Canada (see note below)	713	0	
Total deductions (add lines 711, 712, and 713)		0	0 E
Taxable capital employed in Canada (line 701 minus amount E) (if negative, enter "0")	790		0

Note: Complete line 713 only if the country in which the corporation is resident did not impose a capital tax for the year on similar assets, or a tax for the year on the income from the operation of a ship or aircraft in international traffic, of any corporation resident in Canada during the year.

Part 5 - Calculation of gross Part I.3 tax

Taxable capital employed in Canada (line 690 or 790, whichever applies)			92,635,936
Deduct: Capital deduction claimed for the year (enter $50,000,000 or, for related corporations, the amount allocated on Schedule 36)	801		49,979,597
Excess of taxable capital employed in Canada over capital deduction	811		42,656,339

Year	Line 811		Number of days	/ Number of days in the taxation year				
Before 2004	42,656,339	x	(0	/ 366)	x	.2250%	=.....	0 F
2004	42,656,339	x	(366	/ 366)	x	.2000%	=.....	85,313 G
2005	42,656,339	x	(0	/ 366)	x	.1750%	=.....	0 H
2006	42,656,339	x	(0	/ 366)	x	.1250%	=.....	0 I
2007	42,656,339	x	(0	/ 366)	x	.0625%	=.....	0 J

Note: The Part I.3 tax rate is reduced to 0% for the days in the taxation year that are after 2007.

Subtotal (add amounts F to J) 85,313 K

Where the taxation year of a corporation is less than 51 weeks, calculate the amount of gross Part I.3 tax as follows:

Amount K 85,313 x (Number of days in the year 365 / 365) =..... 0 L

Gross Part I.3 tax (amount K or L, whichever applies)	820	85,313

Part 6 - Calculation of gross Part I.3 tax for purposes of the unused surtax credit

Taxable capital employed in Canada (line 690 or 790, whichever applies)					92,635,936	M
Deduct: Capital deduction claimed for the year (1/5 of line 801 if the taxation year end after 2003)					9,995,919	N
				Excess (amount M minus amount N) (if negative, enter "0")	82,640,017	O
Amount O	82,640,017	x	.2250%	=	185,940	P

Where the taxation year of a corporation is less than 51 weeks, calculate the amount of gross Part I.3 tax for purposes of the unused surtax credit as follows:

Amount P	185,940	x	Number of days in the year / 365	=	0	Q

Gross Part I.3 tax for purposes of the unused surtax credit (amount P or Q, whichever applies) [821] 185,940

Part 7 - Calculation of current-year surtax credit available

- Corporations can claim a credit against their Part I.3 tax for the amount of Canadian surtax payable for the year. This is called the surtax credit.
- Any unused surtax credit can be carried back three years or carried forward seven years. Unused surtax credits must be applied in order of the oldest first.
- Refer to subsection 181.1(7) of the Act when calculating the amount deductible for a corporation's unused surtax credits where control of the corporation has been acquired between the year in which the credits arose and the year in which you want to claim them.

For a corporation that was a non-resident of Canada throughout the year, enter amount a or b at line R, whichever is less:

a) line 600 from the T2 return			0	a	
b) line 700 from the T2 return			0	b	0 R

In any other case, enter amount c or d at line S, whichever is less:

c) line 600 from the T2 return	59,905	x	line 690 of this schedule 92,635,936 / line 500 of this schedule 92,635,936	=	59,905	c	
d) line 700 from the T2 return					1,183,118	d	59,905 S

Current-year surtax credit available (amount R or S, whichever applies) [830] 59,905

Part 8 - Calculation of current-year unused surtax credit

Current-year surtax credit available (line 830)		59,905
Less: Gross Part I.3 tax for purposes of the unused surtax credit (line 821)		185,940
Current-year unused surtax credit (if negative, enter "0")	[850]	0

Enter this amount at line 600 on Schedule 37.

Part 9 - Calculation of net Part I.3 tax payable

Gross Part I.3 tax (line 820)			85,313 T
Deduct:			
Current-year surtax credit applied (line 820 or 830, whichever is less)	861	59,905	
Unused surtax credit form previous years applied (amount from line 320 on Schedule 37)	862	0	
Subtotal (cannot be more than amount on line 820)		59,905	59,905 U
Net Part I.3 tax payable (amount T minus amount U)	870		25,408

Enter this amount at line 704 of the T2 return.

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

AGREEMENT AMONG RELATED CORPORATIONS - PART I.3 TAX

- Members of a related group of corporations should use this schedule to allocate the capital deduction of $10,000,000 or $50,000,000 among the members of the related group.
  Do not file this agreement if no members of the related group have to pay Part I.3 tax.

Are any members of the related group liable to pay Part I.3 tax? ..... [Y/N] [Y]

- In cases where a related corporation has more than one taxation year ending in a calendar year, it has to file an agreement for each of those taxation years.

- A corporation that is related to any other corporation at any time in a taxation year of the corporation that ends in a calendar year may file such an agreement.

- In accordance with subsection 181.5(7) of the federal "Income Tax Act", a Canadian-controlled private corporation is not considered to be related to another corporation for purposes of the capital deduction unless it is also associated with that corporation.

- Attach additional schedules if space for agreement is not sufficient.

Agreement

		Year Month Day
Date filed (do not use this area)	010	
Is this an amended agreement?	020	[Y/N] [N]
Calendar year to which the agreement applies	030	Year 2004

Note: This agreement must include all the information indicated below for all members of the related group, including members to which no amount of capital deduction is allocated for the year. However, any member that is exempt from Part I.3 tax under subsection 181.1(3) does not have to be included.

Names of all corporations which are members of the related group	Business Number (Note 1)	Allocation of capital deduction for the year $	Taxation year end to which this agreement applies (Note 2)
200	300	400	500
Waterloo North Hydro Inc.	865844575RC0001	49,979,597	
See attached		20,403	
Total (Before 2004 must not exceed $10,000,000 After 2003 must not exceed $50,000,000)		50,000,000	

Note 1: If a corporation is not registered, enter "NR."

Note 2: Entries are only required in this column for a corporation that has more than one taxation year ending in the same calendar year and is related in two or more of those taxation years to another corporation that has a taxation year ending in that calendar year. The capital deduction of the first corporation for each such taxation year at the end of which it is related to the other corporation is an amount equal to its capital deduction for the first such taxation year. Enter the taxation year end to which this agreement applies.

AGREEMENT AMONG RELATED CORPORATIONS - PART I.3 TAX

- Members of a related group of corporations should use this schedule to allocate the capital deduction of $10,000,000 or $50,000,000 among the members of the related group.
- In accordance with subsection 181.5(7) of the federal "Income Tax Act," a Canadian-controlled private corporation is not considered to be related to another corporation for purposes of the capital deduction unless it is also associated with that corporation.

Names of all corporations which are members of the related group [200]	Business Number **(Note 1)** [300]	Allocation of capital deduction for the year [400]	Taxation year end to which this agreement applies **(Note 2)** [500]
WATERLOO NORTH HYDRO HOLDING	NR	20,403	
TOTAL		20,403	

Note 1: If a corporation is not registered, enter "NR."

Note 2: Entries are only required in this column for a corporation that has more than one taxation year ending in the same calendar year and is related in two or more of those taxation years to another corporation that has a taxation year ending in that calendar year. The capital deduction of the first corporation for each such taxation year at the end of which it is related to the other corporation is an amount equal to its capital deduction for the first such taxation year. Enter the taxation year end to which this agreement applies.

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

SHAREHOLDER INFORMATION

All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

Name of shareholder	Business Number (note 1)	Social Insurance Number (note 2)	Percentage common shares	Percentage preferred shares
100	200	300	400	500
WATERLOO NORTH HYDRO HOLDING CORPORATION	NR		100.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00

Note 1: If a corporate shareholder does not have a business number, NR must be entered to indicate the corporation is not registered.

Note 2: If an individual shareholder does not have a social insurance number, NA must be entered to indicate the SIN is not available.

Note 3: If a trust holds 10% or more of the corporation's common or preferred shares, enter "NR" for the business number and, if space permits, enter the trust's name and account number. Do not enter anything in the "SIN" column.

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

BUSINESS CONSENT FORM

Use this form to consent to the release of confidential information about your Business Number (BN) account(s) to the representative named below, or to cancel consent for an existing representative.

- Complete Parts 1, 2, and 5 to name a representative.
- Complete Parts 3, 4, and 5 to cancel consent for an existing representative.
- Complete all parts of this form if you want to both name a new representative and cancel consent for an existing representative.

If you have questions, such as where to send this form, call us at 1-800-959-5525.

Part 1 - Consent to release of information to a representative

Client's name: Waterloo North Hydro Inc. Business Number: 865844575RC0001

I consent to the release of confidential information about my BN account(s) by the Canada Customs and Revenue Agency to the representative named below.

KPMG LLP

Representative's name (If a firm, enter the name of the firm. If an individual, enter the first and last name of the individual.)

If you named a firm as your representative, and you want to specify a particular individual of that firm, enter that individual's first and last name.

519-747-8800 Representative's telephone number | Extension | 519-747-8890 Representative's fax number

Part 2 - Details of consent

A. Which accounts?

I request that this consent apply to all accounts. [X] OR

I request that this consent apply only to the following accounts.

(Check the appropriate box or boxes. If you wish to authorize access to more than one account of the same type, for example RP0002 and RP0003, please print the account numbers in the spaces provided.)

Corporate income tax	RC0001	[ ]	RC	RC
GST/HST	RT0001	[ ]	RT	RT
Payroll deductions	RP0001	[ ]	RP	RP
Import/Export	RM0001	[ ]	RM	RM

B. Which years?

I request that this consent apply to all years. [X] OR

I request that this consent apply only to the following years:

1. All year-ends up to: Year Month Day

2. All year-ends beginning in: Year Month Day and all years after that.

3. The following year-ends only: Year Month Day | Year Month Day | Year Month Day | Year Month Day

Part 3 - Cancellation of consent to release of information to a representative

Client's name: Waterloo North Hydro Inc. Business Number: 865844575RC0001

I cancel all previous consents for all representatives. ☐ OR

I cancel my consent to the release of confidential information about my BN account(s) by the Canada Customs and Revenue Agency to the representative named below.

Representative's name (If a firm, enter the name of the firm. If an individual, enter the first and last name of the individual.)

If you named a firm as your representative, and you want to cancel the consent for a particular individual of that firm, enter that individual's first and last name.

Representative's telephone number

Representative's fax number

Part 4 - Details of cancellation of consent

A. Which accounts?

I request that this cancellation of consent apply to all accounts. ☐ OR

I request that this cancellation of consent apply only to the following accounts.

(Check the appropriate box or boxes. If you wish to cancel access to more than one account of the same type, for example RP0002 and RP0003, please print the account numbers in the spaces provided.)

Corporate income tax	RC0001	☐	RC		RC		
GST/HST	RT0001	☐	RT		RT		
Payroll deductions	RP0001	☐	RP		RP		
Import/Export	RM0001	☐	RM		RM		

B. Which years?

I request that this cancellation of consent apply to all years. ☐ OR

I request that this cancellation of consent apply only to the following years:

1. All year-ends up to: Year Month Day

2. All year-ends beginning in: Year Month Day and all years after that.

3. The following year-ends only: Year Month Day Year Month Day

Year Month Day Year Month Day

Part 5 - Signature

Print your name Albert Singh Title VP Finance & CEO

This form must be signed by an owner, partner, director, trustee, or officer.

Sign here Date Year Month Day

WE WILL NOT PROCESS THIS FORM IF IT IS NOT SIGNED

PAYMENTS-IN-LIEU

Ontario

Ministry of Finance

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

2003 CT23 Corporations Tax and Annual Return

For taxation years commencing after September 30, 2001

Corporations Tax Act - Ministry of Finance (MOF)
Corporations Information Act - Ministry of Consumer and Business Services (MCBS)
(formerly Ministry of Consumer and Commercial Relations)

This return is a combination of the Ministry of Finance (MOF) CT23 Corporations Tax Return and the Ministry of Consumer and Business Services (MCBS) Annual Return. Page 1 is a common page required for both returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the **Exempt from Filing (EFF)** declaration on page 2 or file the **CT23 Return** on pages 3-17, together with the applicable schedules on pages 18-21. **Corporations that do not meet the EFF criteria but do meet the Short-Form criteria, may request and file the CT23 Short-Form Return (see page 2).**

The Annual Return (common page 1 and MCBS Schedule A on pages 22 and 23, and Schedule K on page 24) contains non-tax information collected under the authority of the *Corporations Information Act* for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

Ministry Use

MCBS Annual Return Required? *(Not required if already filed or Annual Return exempt. Refer to Guide)* [X] Yes [ ] No

Corporation's Legal Name *(including punctuation)*

Waterloo North Hydro Inc.

Ontario Corporations Tax Account No. (MOF): 1800212

Mailing Address

300 Northfield Drive East
Box 640
Waterloo
ON CA N2J-4A3

This CT23 Return covers the Taxation Year

Start: year month day 2004-01-01

End: year month day 2004-12-31

Has the mailing address changed since last filed CT23 Return? [ ] Yes

Date of Change: year month day

Date of Incorporation or Amalgamation: year month day 2000-03-01

Registered/Head Office Address

300 Northfield Drive East
Box 640
Waterloo
ON CA N2J-4A3

Ontario Corporation No. (MCBS):

Location of Books and Records

300 Northfield Drive East
Waterloo
ON CA N2J-4A3

Canada Customs and Revenue Agency (formerly Revenue Canada) Business No.

If applicable, enter: 865844575RC0001

Name of person to contact regarding this CT23 Return	Telephone No.	Fax No.
Albert Singh	519-886-5090	

Jurisdiction Incorporated: Ontario

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

ON CA -

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

Commenced: year month day

Ceased: year month day

Former Corporation Name *(Extra-Provincial Corporations only)* [X] *Not Applicable* (MCBS)

[X] *Not Applicable*

Information on Directors/Officers/Administrators must be completed on MCBS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS).

No. of Schedule(s): 0

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

[X] No Change

Preferred Language/*Langue de préférence*

[X] English *anglais* [ ] French *français*

Ministry use

Certification (MCBS)

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

Name of Authorized Person *(Print clearly or type in full)*

Albert Singh

Title: D [ ] Director O [X] Officer P [ ] Other individual having knowledge of the affairs of the Corporation

Note: Sections 13 and 14 of the *Corporations Information Act* provide penalties for making false or misleading statements or omissions.

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Waterloo North Hydro Inc.	1800212	2004-12-31

CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

Type of Corporation – Please "X" box(es) if applicable in sections 1 & 2

1
- 1 [X] Canadian-controlled Private (CCPC) all year (Generally a private corporation of which 50% or more shares are owned by Canadian residents.) (fed.s.125(7)(b))
- 2 [ ] Other Private
- 3 [ ] Public
- 4 [ ] Non-share Capital
- 5 [ ] Other (specify)

Share Capital with full voting rights owned by Canadian Residents (nearest percent): 100%

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

Ontario Retail Sales Tax Vendor Permit No. (Use Head Office no.)
if applicable, enter

Ontario Employer Health Tax Account No. (Use Head Office no.)
if applicable, enter

Specify major business activity

Please "X" box(es) if applicable:

- [ ] First Year of Filing
- [ ] Amended Return
- [ ] Taxation Year End has changed - Canada Customs and Revenue Agency (formerly Revenue Canada) approval required
- [ ] Final Taxation Year up to Dissolution (wind-up) (Note: For discontinued businesses, see Guide.)
- [ ] Final Taxation Year before Amalgamation
- [ ] Floating Fiscal Year End
- [ ] Transfer or Receipt of Asset(s) involving a corporation having a Canadian permanent establishment outside Ontario
- [ ] Acquisition of Control fed s.249(4)

Date Control was acquired
year month day

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

Income Tax

Allocation – If you carry on a business through a permanent establishment in a jurisdiction outside Ontario, you may allocate that portion of taxable income deemed earned in that jurisdiction, to that jurisdiction (s.39) (Int.B. 3008).

DOLLARS ONLY

Net Income (loss) for Ontario purposes (per reconciliation schedule, page 15)	±	From	690	5,348,636.
Subtract: Charitable donations	–		1	0.
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property *(Attach schedule 2)*	–		2	0.
Subtract: Taxable dividends deductible, per federal T2 SCH 3	–		3	0.
Subtract: Ontario political contributions *(Attach schedule 2A)* (Int.B. 3002)	–		4	0.
Subtract: Federal Part VI.1 tax 0. X 9/3	–		5	0.
Subtract: Prior years' losses applied – Non-capital losses	–	From	704	0.
Net capital losses From 715 (page 16) 0. X inclusion rate 50.000000% =	–		714	0.
Farm losses	–	From	724	0.
Restricted farm losses	–	From	734	0.
Limited partnership losses	–	From	754	0.
Taxable Income (Non-capital loss)	=		10	5,348,636.
Addition to taxable income for unused foreign tax deduction for federal purposes	+		11	0.
Adjusted Taxable Income 10 + 11 (if 10 is negative, enter 11)	=		20	5,348,636.

Taxable Income

Number of Days in Taxation Year

From 10 (or 20 if applicable) 5,348,636. x 30 100.0000 % (Ontario Allocation) x 12.5000% x (Days after Sept. 30, 2001 and before Jan. 1, 2004: 33 0 ÷ Total Days 73 366) = + 29 0.

From 10 (or 20 if applicable) 5,348,636. x 30 100.0000 % (Ontario Allocation) x 14.0000% x (Days after Dec. 31, 2003: 34 366 ÷ Total Days 73 366) = + 32 748,809.

Income Tax Payable (before deduction of tax credits) 29 + 32 = 40 748,809.

Incentive Deduction for Small Business Corporations (IDSBC) (s.41)

(If this section is not completed, the IDSBC will be denied.)

Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(5.1) not been applicable in the taxation year? (X) [X] Yes [ ] No

* Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a))		50	5,348,636.
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	+ 51	5,348,636.	
Add: Losses of other years deducted for federal purposes (fed.s.111)	+ 52	0.	
Subtract: Losses of other years deducted for Ontario purposes (s.34)	– 53	0.	
	=	5,348,636.	54 5,348,636.
Federal Business limit (line 410 of the T2 Return) for the year before the application of fed.s.125(5.1)	55	250,000.	

Ontario Business Limit Calculation

280,000 x (Days after Sept. 30, 2001 and before Jan. 1, 2003: 28 0 ÷ ** 366)	= +	43	0.	
320,000 x (Days after Dec. 31, 2002 and before Jan. 1, 2004: 31 0 ÷ ** 366)	= +	46	0.	
400,000 x (Days after Dec. 31, 2003: 34 366 ÷ ** 366)	= +	47	400,000.	
Business Limit for Ontario purposes 43 + 46 + 47	=	44	400,000.	x 48 100.0000 % (*** Percentage of Federal Business limit (from T2 Sch. 23). Enter 100% if not associated.) = 45 400,000.
Income eligible for the IDSBC From 30 100.0000 % (**** Ontario Allocation) x 56 400,000. (Least of 50, 54 or 45) =				60 400,000.

* ***Note:*** *Modified by s.41(6) and (7) for corporations that are members of a partnership. (Refer to Guide.)*

** ***Note:*** *Adjust accordingly for a floating taxation year and use 366 for a leap year.*

*** ***Note:*** *For a taxation year ending before Jan. 1, 2003, use your proportion of the associated group business limit.*

**** ***Note:*** *Ontario Allocation for IDSBC purposes may differ from 30 if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).*

continued on Page 5

Income Tax *continued from Page 4*

Calculation of IDSBC Rate

Number of Days in Taxation Year

			Days after Sept. 30, 2001 and before Jan. 1, 2003		Total Days					
.....	6.50 %	x	28	0	+ 73	366	= +	79	.0000
			Days after Dec. 31, 2002 and before Jan. 1, 2004		Total Days					
.....	7.00 %	x	31	0	+ 73	366	= +	89	.0000
			Days after Dec. 31, 2003		Total Days					
.....	8.50 %	x	34	366	+ 73	366	= +	90	8.5000

IDSBC Rate for Taxation Year [79] + [89] + [90] ..... = [78] 8.5000

Claim ..... From [60] 400,000. x From [78] 8.5000 % ..... = [70] 34,000.

Corporations claiming the IDSBC must complete the Surtax section below if the corporation's taxable income (or if associated, the associated group's taxable income) is greater than the amount in [114] below.

Surtax on Canadian-controlled private corporations (s.41.1)

Applies if you have claimed the Incentive Deduction for Small Business Corporations.

** ***Short Taxation Years*** - Special rules apply where the taxation year is less than 51 weeks for the corporation and/or any corporation associated with it.
Associated Corporation - The taxable income of associated corporations is the taxable income for the taxation year ending on or before the date of this corporation's taxation year end.

** **Taxable Income of the corporation** ..... From [10] (or [20] if applicable) + [80] 5,348,636.

If you are a member of an associated group (X) [81] [X] (Yes)

Name of associated corporation (Canadian & foreign) *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	** Taxable Income (if loss, enter nil)
See attached			+ [82] 0.
			+ [83] .
			+ [84] .

Aggregate Taxable Income [80] + [82] + [83] + [84], etc. ..... = [85] 5,348,636.

Number of Days in Taxation Year

			Days after Sept. 30, 2001 and before Jan. 1, 2003		Total Days					
Subtract: 280,000	x	28	0	+ 73	366	= +	113	0.
			Days after Dec. 31, 2002 and before Jan. 1, 2004		Total Days					
320,000	x	31	0	+ 73	366	= +	115	0.
			Days after Dec. 31, 2003		Total Days					
400,000	x	34	366	+ 73	366	= +	116	400,000.

[113] + [115] + [116] = 400,000. ..... − [114] 400,000.

(If negative, enter nil) ..... = [86] 4,948,636.

Number of Days in Taxation Year

			Days after Sept. 30, 2001 and before Jan. 1, 2003		Total Days					
Calculation of Specified Rate for Surtax	4.3330 %	x	28	0	+ 73	366	= +	95	.0000
			Days after Dec. 31, 2002 and before Jan. 1, 2004		Total Days					
.....	4.6670 %	x	31	0	+ 73	366	= +	96	.0000
			Days after Dec. 31, 2003		Total Days					
.....	4.6670 %	x	34	366	+ 73	366	= +	97	4.6670

Specified rate of surtax for Taxation Year [95] + [96] + [97] ..... = [94] 4.6670

From [86] 4,948,636. x From [94] 4.6670 % ..... = [87] 230,953.

From [87] 230,953. x From [60] 400,000. + From [114] 400,000. = [88] 230,953.

Surtax Lesser of [70] or [88] ..... = [100] 34,000

continued on Page 6

Income Tax *continued from Page 5*

Additional Deduction for Credit Unions (s.51(4)) *(Attach schedule 17)* ..... 110 0.

Manufacturing and Processing Profits Credit (M&P) (s.43)

Applies to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined by regulations.

Eligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, after deducting depletion and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If you are claiming this credit, attach a copy of Ontario schedule 27.

The whole of the active business income qualifies as Eligible Canadian Profits if: a) your active business income from sources other than manufacturing and processing, mining, farming, logging or fishing is 20% or less of the total active business income and b) the total active business income is $250,000 or less.

Eligible Canadian Profits ..... + 120 0.

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) ..... – From 56 400,000.

Add: Adjustment for Surtax on Canadian-controlled private corporations

From 100 34,000. + From 30 100.0000 % * Ontario Allocation + From 78 8.5000 % = 121 400,000.

Lesser of 56 or 121 ..... + 122 400,000.

120 – 56 + 122 ..... = 130 0.

Taxable Income ..... + From 10 5,348,636.

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) ..... – From 56 400,000.

Add: Adjustments for Surtax on Canadian-controlled private corporations ..... + From 122 400,000.

Subtract: Taxable Income 10 5,348,636. x Allocation % to jurisdictions outside Canada .0000 % ..... – 140 0.

Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses ..... – 141 0.

10 – 56 + 122 – 140 – 141 ..... = 142 5,348,636.

Claim

Number of Days in Taxation Year

143 0. Lesser of 130 or 142 x From 30 100.0000 % * Ontario Allocation x 1.5000 % x (Days after Sept. 30, 2001 and before Jan. 1, 2004: 33 0 + Total Days: 73 366) =+ 154 0.

143 0. Lesser of 130 or 142 x From 30 100.0000 % * Ontario Allocation x 2.0000 % x (Days after Dec. 31, 2003: 34 0 + Total Days: 73 366) =+ 156 0.

M&P claim for taxation year 154 + 156 ..... = 160 0.

* **Note:** *Ontario Allocation for M&P Credit purposes may differ from* 30 *if Taxable Income is allocated to foreign jurisdictions. See special rules (s.43(1))*

Manufacturing and Processing Profits Credit for Electrical Generating Corporations = 161 0.

Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity ..... = 162 0.

Credit for Foreign Taxes Paid (s.40)

Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 3001) *(Attach schedule)*. ..... 170 0.

Credit for Investment in Small Business Development Corporations (SBDC)

Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former Small Business Development Corporations Act)

Eligible Credit 175 0. Credit Claimed 180 0.

Subtotal of Income Tax 40 – 70 + 100 – 110 – 160 – 161 – 162 – 170 – 180 ..... = 190 748,809.

continued on Page 7

Income Tax *continued from Page 6*
Specified Tax Credits *(Refer to Guide)*

Ontario Innovation Tax Credit (OITC)(s.43.3) ***Applies*** to research and development in Ontario.
Eligible Credit From 5620 OITC Claim Form *(Attach original Claim Form)* . . . . . + 191 0.

Co-operative Education Tax Credit (CETC)(s.43.4) ***Applies*** to employment of eligible students.
Eligible Credit From 5798 Summary Schedule F . . . . . + 192 0.

Ontario Film & Television Tax Credit (OFTTC)(s.43.5)
Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television productions.
Eligible Credit From 5899 either Claim Form from Ontario Media Development Corporation (OMDC) or Ministry of Finance (MOF) CT Schedule 193/199, as applicable.
(Attach the original Certification/Claim Form received from the OMDC or the original Certification Form received from the OMDC along with a completed MOF CT Schedule 193/199, as applicable.) . . . . . + 193 0.

Graduate Transitions Tax Credit (GTTC) (s.43.6)
No. of Graduates From 6596
Applies to employment of eligible unemployed post secondary graduate. 194 0
Eligible Credit From 6598 Summary Schedule G . . . . . + 195 0.

Ontario Book Publishing Tax Credit (OBPTC) (s 43.7)
Applies to qualifying expenditures in respect of eligible literary works by eligible Canadian authors.
Eligible Credit From 6900 OBPTC Claim Form *(Attach **both** the original Claim Form and the Certification Form)* . . . . . + 196 0.

Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8)
Applies to labour relating to computer animation and special effects on an eligible production.
Eligible Credit From 6700 Claim Form Certified by Ontario Media Development Corporation
(Attach the original Claim/Certification Form with the CT23 Tax Return.) . . . . . + 197 0.

Ontario Business-Research Institute Tax Credit (OBRITC)(s.43.9)
Applies to qualifying R&D expenditures under an eligible research institute contract.
Eligible Credit From 7100 OBRITC Claim Form *(Attach original Claim Form)* . . . . . + 198 0.

Ontario Production Services Tax Credit (OPSTC)(s.43.10)
Applies to qualifying Ontario labour expenditures for eligible productions where the OFTTC has not been claimed.
Eligible Credit From 7300 either Claim Form from Ontario Media Development Corporation (OMDC) or Ministry of Finance (MOF) CT Schedule 193/199, as applicable.
(Attach the original Certification/Claim Form received from the OMDC or the original Certification Form received from the OMDC along with a completed MOF CT Schedule 193/199, as applicable.) . . . . . + 199 0.

Ontario Interactive Digital Media Tax Credit (OIDMTC)(s.43.11)
Applies to qualifying labour expenditures of eligible products for the taxation year.
Eligible Credit From 7400 Claim Form certified by Ontario Media Development Corporation
(Attach original Claim/Certification Form.) . . . . . + 200 0.

Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)
Applies to qualifying expenditures in respect of eligible Canadian sound recordings.
Eligible Credit From 7500 OSRTC Claim Form *(Attach **both** the original Claim Form and the Certification Form)* . . . . . + 201 0.

Other (specify) _____ . . . . . + 201.1 0.

Total Specified Tax Credits 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201 + 201.1 = 220 0.

Specified Tax Credits ***Applied to reduce Income Tax*** . . . . . = 225 0.

Income Tax 190 − 225 **OR Enter NIL if reporting Non-Capital Loss** *(amount cannot be negative)* . . . . . = 230 748,809.

To determine if the Corporate Minimum Tax (CMT) is applicable to your Corporation, see ***Determination of Applicability*** section for the CMT on ***Page 8***. If CMT is not applicable, transfer amount in 230 to Income Tax in ***Summary*** section on ***Page 17.***

OR

If CMT is not applicable for the current taxation year but your corporation has CMT Credit Carryovers that you want to apply to reduce income tax otherwise payable, then proceed to and complete the ***Application of CMT Credit Carryovers*** section part B, on ***Page 8.***

Corporate Minimum Tax (CMT)

Determination of Applicability

Applies if ***either*** Total Assets [249] exceeds $5,000,000 ***or*** Total Revenue [250] exceeds $10,000,000.

* These amounts include the corporation's and associated corporations' share of any partnership(s) / joint venture(s) total assets and total revenue.

Short Taxation Years - Special rules apply for determining total revenue where the taxation year of the corporation or any associated corporation or any fiscal period of any partnership(s) / joint venture(s) of which the corporation or associated corporation is a member, is less than 51 weeks.

Associated Corporation - The total assets or total revenue of associated corporations is the total assets or total revenue for the taxation year ending on or before the date of the claiming corporation's taxation year end.

* Total Assets of the corporation	+ [240]	119,538,846.
* Total Revenue of the corporation	+ [241]	109,423,905.

If you are a member of an associated group (x) [242] X (Yes)

Name of associated corporation (Canadian & foreign) *(if insufficient space attach schedule)*	Ontario Corporations Tax Account No. (MOF) (If applicable)	Taxation Year End	* Total Assets	* Total Revenue
See attached			+ [243] 87,300,341.	+ [244] 6,440,694.
			+ [245] .	+ [246] .
			+ [247] .	+ [248] .

Aggregate Total Assets	[240] + [243] + [245] + [247] , etc. =	[249] 206,839,187.
Aggregate Total Revenue	[241] + [244] + [246] + [248] , etc. =	[250] 115,864,599.

If CMT is applicable to current taxation year, complete section ***Calculation: CMT*** below and ***Corporate Minimum Tax Schedules A through E on Pages 18, 19 and 20 of CT23.***

Calculation: CMT *(Attach Schedule A: Calculation of CMT Base on Page 18.)*

Gross CMT Payable ..... CMT Base From [2135] 4,979,640. (If negative, enter zero) X From [30] 100.0000% (Ontario Allocation) X 4.0000% = [276] 199,186.

Subtract: Foreign Tax Credit for CMT purposes *(Attach schedule)*	–	[277] 0.
Subtract: Income Tax	– From	[190] 748,809.
Net CMT Payable (If negative, enter Nil on Page 17.)	=	[280] 0.

If [280] is less than zero and you do not have a CMT credit carryover, transfer [230] from ***Page 7*** to ***Income tax Summary, on Page 17.***

If [280] is less than zero and you have a CMT credit carryover, complete A & B below.

If [280] is greater than or equal to zero, transfer [230] to ***Page 17*** and transfer [280] to ***Page 17***, and to ***Schedule D: Continuity of CMT Credit Carryovers, on Page 20.***

CMT Credit Carryover available ..... From [2307] 0.

Application of CMT Credit Carryovers

A. Income Tax (before deduction of specified credits)		+ From [190]	748,809.
Gross CMT Payable	+ From [276] 199,186.		
Subtract: Foreign Tax Credit for CMT purposes	– From [277] 0.		
If [276] – [277] is negative, enter NIL in [290]	= 199,186.	– [290]	199,186.
Income Tax eligible for CMT Credit	=	[300]	549,623.
B. Income Tax (after deduction of specified credits)		+ From [230]	748,809.
Subtract: CMT credit used to reduce income taxes		– [310]	0.
Income Tax	=	[320]	748,809.

Transfer to page 17

If A & B apply, [310] ***cannot exceed the lesser of*** [230], [300] ***and your CMT credit carryover available*** [2307].

If only B applies, [310] ***cannot exceed the lesser of*** [230] ***and your CMT credit carryover available*** [2307].

Capital Tax *(Refer to Guide and Int.B. 3011)*

If your corporation is a Financial Institution (s.58(2)), complete lines 480 ***and*** 430 ***on page 10 then proceed to page 13.***
If your corporation is not a member of an associated group and/or partnership and (1) the Gross Revenue and Total Assets as calculated on Page 10 in 480 ***and*** 430 ***are both $1,500,000 or less and the taxation year ends on or after January 1, 2001, or (2) the Gross Revenue and Total Assets as calculated on Page 10 in*** 480 ***and*** 430 ***are both $3,000,000 or less and the taxation year commences after September 30, 2001, your corporation is exempt from Capital Tax for the taxation year. A corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in*** 550 ***on page 12 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.***

Members of a partnership (limited or general) or a joint venture, must attach all financial statements of each partnership or joint venture of which they are a member. The Paid-up Capital of each corporate partner must include its share of liabilities that would otherwise be included if the partnership were a corporation. If Investment Allowance is claimed, Total Assets must be adjusted by adding the corporation's share of the partnership's Total Assets and by deducting investments in the partnership as it appears on the corporation's balance sheet, in addition to any other required adjustments (s.61(5)). Special rules apply to limited partnerships (Int.B. 3017).

Any Assets and liabilities of a corporation that are being utilized in a joint venture must be included along with the corporation's other Assets and liabilities when calculating its Taxable Paid-up Capital.

Special rules and rates apply to Non-Resident corporations (s.63, s.64 and s.69(3)).

Paid-up Capital of Non-resident: Paid-up capital employed in Canada of a non-resident subject to tax by virtue of s.2(a) or (b), and whose **business is not carried on solely in Canada** is deemed to be the **greater** of (1) taxable Income in Canada divided by 8 percent or (2) total assets in Canada minus certain indebtedness in accordance with the provisions of s.63(1)(a) (Int.B. 3010).

Paid-up Capital

Paid-up capital stock (Int.B. 3012 and 3015)	+	350	24,370,424.
Retained earnings (if deficit, deduct) (Int.B. 3012)	±	351	12,900,152.
Capital and other surpluses, excluding appraisal surplus (Int.B. 3012)	+	352	0.
Loans and advances *(Attach schedule)* (Int.B. 3013)	+	353	53,317,218.
Bank loans (Int.B. 3013)	+	354	0.
Bankers acceptances (Int.B. 3013)	+	355	0.
Bonds and debentures payable (Int.B. 3013)	+	356	0.
Mortgages payable (Int.B. 3013)	+	357	0.
Lien notes payable (Int.B. 3013)	+	358	0.
Deferred credits (including income tax reserves, and deferred revenue where it would also be included in paid-up capital for the purposes of the large corporations tax) (Int.B. 3013)	+	359	0.
Contingent, investment, inventory and similar reserves (Int.B. 3012)	+	360	0.
Other reserves not allowed as deductions for income tax purposes *(Attach schedule)* (Int.B. 3012)	+	361	3,141,233.
Share of partnership(s) or joint venture(s) paid-up capital *(Attach schedule(s))* (Int.B. 3017)	+	362	0.
Subtotal	=	370	93,729,027.
Subtract: Amounts deducted for income tax purposes in excess of amounts booked *(Retain calculations. Do not submit.)* (Int.B. 3012)	−	371	-15,704,216.
Deductible R & D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015)	−	372	0.
Total Paid-up Capital	=	380	109,433,243.
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015)	−	381	0.
Electrical Generating Corporations Only - All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the Corporations Tax Act, and the assets are used both in generating electricity from a renewable or alternative energy source and are qualifying property as prescribed by regulation	−	382	0.
Net Paid-up Capital	=	390	109,433,243.

Eligible Investments *(Refer to Guide and Int.B. 3015)*

Attach computations and list of corporations' names and investment amounts. Short-term investments (bankers acceptances, commercial paper, etc.) are eligible for the allowance only if issued for a term of and held for 120 days or more prior to the year end of the investor corporation.

Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)	+	402	0.
Mortgages due from other corporations	+	403	0.
Shares in other corporations (certain restrictions apply) *(Refer to Guide)*	+	404	0.
Loans and advances to unrelated corporations	+	405	1,200,000.
Eligible loans and advances to related corporations (certain restrictions apply) *(Refer to Guide)*	+	406	0.
Share of partnership(s) or joint venture(s) eligible investments *(Attach schedule)*	+	407	0.
Total Eligible Investments	=	410	1,200,000.

continued on Page 10

ITEMS DEDUCTED FOR TAX IN EXCESS OF BOOK

NBV PER FINANCIAL STATEMENTS		83,801,434.00
LESS: LAND		-1,785,889.18
ADD: DEFERRED DEPOSITS		0.00
		0.00
UCC PER ONTARIO SCHEDULE 8		-97,719,761.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
	Total	-15,704,216.18

Capital Tax *continued from Page 9*

Total Assets (Int.B. 3015)

Total Assets per balance sheet	+	420	119,538,846.
Mortgages or other liabilities deducted from assets	+	421	0.
Share of partnership(s)/joint venture(s) total assets *(Attach schedule)*	+	422	0.
Subtract: Investment in partnership(s)/joint venture(s)	–	423	0.
Total Assets as adjusted	=	430	119,538,846.
Amounts in 360 and 361 (if deducted from assets)	+	440	0.
Subtract: Amounts in 371, 372 and 381	–	441	-15,704,216.
Subtract: Appraisal surplus if booked	–	442	0.
Add or Subtract: Other adjustments (specify on an attached schedule)	±	443	0.
Total Assets	=	450	135,243,062.

Investment Allowance (410 + 450) x 390 — Not to exceed 410	=	460	970,992.
Taxable Capital 390 – 460	=	470	108,462,251.

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)	480	109,423,905.
Total Assets (as adjusted) From 430		119,538,846.

Calculation of Capital Tax for all corporations except Financial Institutions

Note: This version (2003) of the CT23 may only be used for a taxation year that commenced after September 30, 2001.

(Financial Institutions use calculations on page 13.)

Important: **If the corporation is a family farm corporation, family fishing corporation or a credit union that is not a Financial Institution, complete only Section A below.**

OR **If the corporation is NOT a member of an associated group and/or partnership, review only the capital tax calculations in Section B below and select and complete the one specific subsection (e.g. B3) that applies to the corporation.**

OR **If the corporation IS a member of an associated group and/or partnership, complete Section C on page 11, and if applicable, complete Section D or Section E on page 12. Note: If the corporation is a member of a connected partnership, please refer to the 2003 CT23 guide for additional instructions before completing the capital tax section.**

SECTION A

This section applies only if the corporation is a family farm corporation, a family fishing corporation or a credit union that is not a Financial Institution (Int.B. 3018).

Enter NIL in 550 on page 12 and complete the return from that point.

SECTION B

This section applies if the corporation is NOT a member of an associated group and/or partnership.

B1. If the taxation year commences after September 30, 2001 and 430 and 480 on page 10 are both $3,000,000 or less, enter NIL in 550 on page 12 and complete the return from that point.

B2. If taxable capital, 470 on page 10, is **$5,000,000 or less**, enter NIL in 550 on page 12 and complete the return from that point.

B3. If taxable capital, 470 on page 10 exceeds **$5,000,000**, complete the following calculation and transfer the amount From 523 to 543 on page 12, and complete the return from that point.

+ From 470	0.								
–	0.								
= 471	0.	X From 30	100.0000%	X	.3000%	X	555 366 / ** 366	= + 523	0.
			Ontario Allocation				Days in taxation year (366 if leap year)		Transfer to 543 on page 12 and complete the return from that point

*** If floating taxation year, refer to Guide.***

continued on Page 11

Capital Tax Calculation *continued from Page 10*

SECTION C

This section applies ONLY to a corporation that is a member of an associated group (exluding financial institutions and corporations exempt from capital tax) and/or partnership. You must check either 509 or 524 and complete this section before you can calculate your capital tax calculation under either Section D or Section E.

C1. [ ] 509 (X if applicable) **All corporations that you are associated with do not have a permanent establishment in Canada.**

If taxable capital 470 on page 10 is $5,000,000 or less, enter NIL in 550 on page 12 and complete the return from that point.

If taxable capital 470 on page 10 exceeds $5,000,000 proceed to **Section D**, enter $5,000,000 in 542 Section D, and complete Section D and the return from that point.

C2. [X] 524 (X if applicable) **One or more of the corporations that you are associated with maintains a permanent establishment in Canada.**

If the taxation year **ends before January 1, 2003**, you must complete the *Calculation* below.

If the taxation year **ends after December 31, 2002**, you and your associated group may continue to allocate the $5,000,000 taxable capital exemption by completing the *Calculation* below. Or, the associated group **may file an election** under subsection 69(2.1) of the Corporations Tax Act, whereby total assets are used to allocate the taxable capital exemption among the associated group. Once a ss.69(2.1) election is filed, all members of the group will then be required to file in accordance with the election and allocate a portion (portion is henceforth referred to as **Net Deduction**) of the $15,000 capital tax effect, relating to the $5,000,000 taxable capital exemption, to each corporation in the group on the basis of the ratio that each corporation's total assets multiplied by its Ontario allocation is to the total assets of the group.

The total asset amounts and Ontario allocation percentages to be used for this calculation must be taken from each corporation's financial information from its last taxation year ending in the immediately preceding calendar year.

In addition, although each corporation in the associated group may deduct its Net Deduction amount as apportioned by the total asset formula, the group may, at the group's option, reallocate the group's total Net Deduction among the group on what ever basis the corporate group wishes, as long as the total of the reallocated amounts does not exceed the group's total Net Deduction amount originally calculated for the associated group.

***Calculation** Do NOT complete this calculation if ss.69(2.1) election is filed*

Taxable Capital From 470 on page 10 ..... + From 470 0.

Determine aggregate taxable capital of an associated group (excluding financial institutions and corporations exempt from capital tax) and/or partnership having a permanent establishment in Canada

Names of associated corporations (excluding financial institutions and corporations exempt from capital tax) or related partners having a permanent establishment in Canada *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (If applicable)	Taxation Year End	Taxable Capital
			+ 531 0.
			+ 532 .
			+ 533 .

Aggregate Taxable Capital 470 + 531 + 532 + 533, etc. ..... = 540 0.

If 540 above is $5,000,000 or less, the corporation's Capital Tax for the taxation year, is NIL.
Enter NIL in 523 in section D on page 12, as applicable.

If 540 above is greater than $5,000,000, the corporation must compute its share of the $5,000,000 exemption below in order to calculate its Capital Tax for the taxation year under Section D on page 12.

From 470 0. + From 540 0. x 0 ..... = 541 0.
Transfer to 542 in Section D on page 12

S.s.69(2.1) Election Filed

[X] 591 (X if applicable) **Election filed.** ***Attach a copy of the election with this CT23 Return.***
Proceed to **Section E** on page 12.

continued on Page 12

Capital Tax Calculation *continued from Page 11*

SECTION D

This section applies if the corporation IS a member of an associated group and/or partnership whose total AGGREGATE taxable capital, [540] *on page 11, exceeds $5,000,000.*

Complete the following calculation and transfer the amount From [523] to [543], and complete the return from that point.

+	From [470]	0.										
–	[542]	0.										
=	[471]	0.	x	From [30]	100.0000% Ontario Allocation	x	.3000%	x	[555] 366 / ** 366 (366 if leap year) Days in taxation year	.....	= + [523]	0. Total Capital Tax for the taxation year. *Transfer to [543] and complete the return from that point*

SECTION E

This section applies if a corporation is a member of an associated group and the associated group has filed a ss.69(2.1) election

+	From [470]	108,462,251.	x	From [30]	100.0000% Ontario Allocation	x	.3000%	.....	= +	[561]	325,387.
–	Capital tax deduction From [995] relating to *your corporation's* capital tax deduction, on ss.69(2.1) election form							.....	– From	[995]	15,000.
									=	[562]	310,387.

Capital Tax	[562]	310,387.	x	[555] 366 / ** 366 (366 if leap year) Days in taxation year	.....	=	[563]	310,387. *Transfer to [543] and complete the return from that point*

*** If floating taxation year, refer to Guide.***

Capital Tax *before application of specified credits*	.....	=	[543] 310,387.
Subtract: Specified Tax Credits applied to reduce capital tax payable *(Refer to Guide)*	.....	–	[546] 0.
Capital Tax [543] – [546] *(amount cannot be negative)*	.....	=	[550] 310,387. *Transfer to Page 17*

continued on Page 13

Capital Tax *continued from Page 12*

Calculation of Capital Tax for Financial Institutions

I.1. Credit Unions only

For taxation years commencing **after May 4, 1999** enter NIL in [550] on page 12, and complete the return from that point.

I.2. Other than Credit Unions

(Retain details of calculations for amounts in boxes [565] and [570]. Do not submit with this tax return.)

[565] 0. x 0.6% x From [30] ____% x [555] 0 + ** 0 (366 if leap year) = + [569] 0.

Lesser of adjusted TPUC and Basic Capital Amount in accordance with Division B.1 — Ontario Allocation — Days in taxation year

[570] 0. x [571] 0.00% x From [30] ____% x [555] 0 + ** 0 (366 if leap year) = + [574] 0.

Adjusted TPUC in accordance with Division B.1 in excess of Basic Capital Amount — Capital Tax Rate *(Refer to Guide)* — Ontario Allocation — Days in taxation year

Capital Tax for Financial Institutions – other than Credit Unions (before Section II) [569] + [574] ..... = [575] 0.

*** If floating taxation year, refer to Guide.***

II. Small Business Investment Tax Credit

(Retain details of eligible investment calculation and, if claiming an investment in CSBIF, retain the original letter approving the credit issued in accordance with the Community Small Business Investment Fund Act. Do not submit with this tax return.)

Allowable Credit for Eligible Investments ..... – [585] 0.

Financial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (x) ☐ Yes

Capital Tax – Financial Institutions [575] – [585] ..... = [586] 0.

Transfer to [543] on Page12

Premium Tax (s.74.2 & 74.3) *(Refer to Guide)*

(1) Uninsured Benefits Arrangements ..... [587] 0. x 2% .... = [588] 0.

Applies to Ontario-related uninsured benefits arrangements.

(2) Unlicensed Insurance (enter premium tax payable in [588] and attach a detailed schedule of calculations. If subject to tax under (1) above, add both taxes together and enter total tax in [588].)

Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with unlicensed insurers.

Deduct: Specified Tax Credits applied to reduce premium tax *(Refer to Guide)* ..... – [589] 0.

Premium Tax [588] – [589] ..... = [590] 0.

Transfer to page 17

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

Net Income (loss) for federal income tax purposes, per federal T2 SCH 1 ± 600 5,348,636.
Transfer to Page 15

Add:

Federal capital cost allowance	+ 601	5,796,270.
Federal cumulative eligible capital deduction	+ 602	0.
Ontario taxable capital gain	+ 603	0.
Federal non-allowable reserves. Balance beginning of year	+ 604	2,983,812.
Federal allowable reserves. Balance end of year	+ 605	0.
Ontario non-allowable reserves. Balance end of year	+ 606	3,141,233.
Ontario allowable reserves. Balance beginning of year	+ 607	0.
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	+ 608	0.
Federal resource allowance	+ 609	0.
Federal depletion allowance	+ 610	0.
Federal foreign exploration and development expenses	+ 611	0.

Management fees, rents, royalties and similar payments to non-arms' length non-residents

Number of Days in Taxation Year

			Days after Sept. 30, 2001 and before Jan. 1, 2004		Total Days		
612	0.	× 5 ÷ 12.5000 ×	33	0	+ 73	366	= + 633	0.
			Days after Dec. 31, 2003		Total Days		
612	0.	× 5 ÷ 14.0000 ×	34	366	+ 73	366	= + 634	0.

Total add-back amount for Management fees, etc. 633 + 634 =	0.	+ 613	0.
Federal Scientific Research Expenses claimed in year from line 460 of fed. form T661 excluding any negative amount in 473 from Ont. CT23 schedule 161		+ 615	0.
Add any negative amount in 473 from Ont. CT23 Schedule 161		+ 616	0.
Federal allowable business investment loss		+ 620	0.
Total of other items not allowed by Ontario but allowed federally *(Attach schedule)*		+ 614	0.
Total of Additions 601 to 611 + 613 + 615 + 616 + 620 + 614		=	11,921,315. 640 11,921,315.

Transfer to Page 15

Deduct:

Ontario capital cost allowance (excludes amounts deducted under 675)	+ 650	5,796,270.
Ontario cumulative eligible capital deduction	+ 651	0.
Federal taxable capital gain	+ 652	0.
Ontario non-allowable reserves. Balance beginning of year	+ 653	2,983,812.
Ontario allowable reserves. Balance end of year	+ 654	0.
Federal non-allowable reserves. Balance end of year	+ 655	3,141,233.
Federal allowable reserves. Balance beginning of year	+ 656	0.
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) *(Retain calculations. Do not submit.)*	+ 657	0.
Ontario depletion allowance	+ 658	0.
Ontario resource allowance	+ 659	0.
Ontario current cost adjustment *(Attach schedule)*	+ 661	0.
Incentive for new electricity supply (section 13.6 deduction from income) *(Applies only to electrical generating corporations.)*	+ 674	0.
CCA for investments in qualifying energy-efficient equipment and for assets used to generate electricity from natural gas, alternative or renewable resources.	+ 675	0.
Subtotal of deductions for this page 650 to 659 + 661 + 674 + 675	681	11,921,315.

Transfer to Page 15

continued on Page 15

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

continued from Page 14

Net Income (loss) for federal income tax purposes, per federal T2 SCH 1 ..... From ± 600 5,348,636.

Total of Additions ..... From = 640 11,921,315.

Sub Total of deductions on page 14 ..... From = 681 11,921,315.

Deduct:

Ontario New Technology Tax Incentive (ONTTI) Gross-up
(Applies only to those corporations whose Ontario allocation is less than 100% in the current taxation year.)

Capital Cost Allowance (Ontario) (CCA) on prescribed qualifying intellectual property deducted in the current taxation year ..... 662 0.

ONTTI Gross-up deduction calculation:

From 662 0. x (Gross-up of CCA 100 / From 30 Ontario Allocation 100.0000) – From 662 0. = 663 0.

Workplace Child Care Tax Incentive

Qualifying expenditures: 665 0. x 30.00% x (100 / From 30 Ontario Allocation 100.0000) = 666 0.

Workplace Accessibility Tax Incentive

Qualifying expenditures: 667 0. x 100.00% x (100 / From 30 Ontario Allocation 100.0000) = 668 0.

Number of Employees accommodated 669 0

Ontario School Bus Safety Tax Incentive (OSBSTI) (***Applies*** to the eligible acquisition of school buses purchased after May 4, 1999 and before January 1, 2006.) *(Refer to Guide)*

Qualifying expenditures: 670 0. x 30.00% x (100 / From 30 Ontario Allocation 100.0000) = 671 0.

Educational Technology Tax Incentive (***Applies*** to qualifying amounts incurred after May 2, 2000.)

Qualifying expenditures: 672 0. x 15.00% x (100 / From 30 Ontario Allocation 100.0000) = 673 0.

Ontario allowable business investment loss ..... + 678 0.

Ontario Scientific Research Expenses claimed in year in from Ont. CT23 Schedule 161 477 ..... + 679 0.

Amount added to income federally for an amount that was negative on federal form T661, line 454 or 455 (if filed after June 30, 2003) ..... + 677 0.

Total of other deductions allowed by Ontario *(Attach schedule)* ..... + 664 0.

Total of Deductions 681 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 677 + 664 .. = 11,921,315. 680 11,921,315.

Net income (loss) for Ontario Purposes 600 + 640 – 680 ..... = 690 5,348,636.

Transfer to Page 4

Continuity of Losses Carried Forward

	Non-Capital Losses (1)	Total Capital Losses (9) (10)	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
Balance at Beginning of Year	700 (2) 0	710 (2) 0	720 (2) 0	730 0	740 0	750 0
Add: Current year's losses (7)	701 0	711 0	721 0	731 0	741 0	751 0
Losses from predecessor corporations (3)	702 0	712 0	722 0	732 0		752 0
Subtotal	703 0	713 0	723 0	733 0	743 0	753 0
Subtract: Utilized during the year to reduce taxable income	704 (2) 0	715 (2) (4) 0	724 (2) 0	734 (2) (4) 0	744 (4) 0	754 (4) 0
Expired during the year	705 0		725 0	735 0	745 0	
Carried back to prior years to reduce taxable income (5)	706 (2) to Page 17 0	716 (2) to Page 17 0	726 (2) to Page 17 0	736 (2) to Page 17 0	746 0	
Subtotal	707 0	717 0	727 0	737 0	747 0	757 0
Balance at End of Year	709 (8) 0	719 0	729 0	739 0	749 0	759 0

Notes:

(1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.

(2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5), as made applicable by s.34.

(3) Includes losses on amalgamation (fed.s.87(2.1) and s.87(2.11)) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.

(4) To the extent of applicable gains/income/at-risk amount only.

(5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.

(6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.

(7) Include amount form 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.

(8) Amount in 709 must equal total of 829 + 839.

(9) Total Capital Losses for a year is the excess of 100% of the Capital Losses in the taxation year minus 100% of the Capital Gains (less any reserves) in the taxation year. Total Capital Losses is before the inclusion rate has been applied.

(10) Commencing in the 2001 CT23 this column now refers to Total Capital Losses (100% of loss), whereas previously the column referred to Net Capital Losses (75% of loss or after the inclusion rate has been applied). Loss amounts that are not carried at 100% of the loss must be grossed back up to 100% by multiplying the balance by 1.333333. No adjustment is required where losses are carried at 100% of the loss amount.

Analysis of Balance at End of Year by Year of Origin

	Year of Origin (oldest year first) year month day	Non-Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only (9) (10)	Farm Losses	Restricted Farm Losses
800	9th preceding taxation year 1995-12-31				850 0	870 0
801	8th preceding taxation year 1996-12-31				851 0	871 0
802	7th preceding taxation year 1997-12-31				852 0	872 0
803	6th preceding taxation year 1998-12-31	820 0	830 0	840 0	853 0	873 0
804	5th preceding taxation year 1999-12-31	821 0	831 0	841 0	854 0	874 0
805	4th preceding taxation year 2000-12-31	822 0	832 0	842 0	855 0	875 0
806	3rd preceding taxation year 2001-12-31	823 0	833 0	843 0	856 0	876 0
807	2nd preceding taxation year 2002-12-31	824 0	834 0	844 0	857 0	877 0
808	1st preceding taxation year 2003-12-31	825 0	835 0	845 0	858 0	878 0
809	Current taxation year 2004-12-31	826 0	836 0	846 0	859 0	879 0
Total		829 0	839 0	849 0	869 0	889 0

Request for Loss Carry-Back (s.80(16))

Applies to corporations requesting a reassessment of the return of one or more previous taxation years under s.80(16) with respect to one or more types of losses carried back.

- If, after applying a loss carry-back to one or more previous years, there is a balance of loss available to carry forward to a future year, it is the corporation's responsibility to claim such a balance for those years following the year of loss within the limitations of fed.s.111, as made applicable by s.34.
- Where control of a corporation has been acquired by a person or group of persons, certain restrictions apply to the carry-forward and carry-back provisions of losses under fed.s.111(4) through 111(5.5), as made applicable by s.34.
- Refunds arising from the loss carry-back adjustment may be applied by the Minister of Finance to amounts owing under ***any Act administered by the Ministry of Finance.***
- Any late filing penalty applicable to the return for which the loss is being applied will not be reduced by the loss carry-back.
- The application of a loss carry-back will be available for interest calculation purposes on the day that is the latest of the following:
  1) the first day of the taxation year after the loss year,
  2) the day on which the corporation's return for the loss year is delivered to the Minister, or
  3) the day on which the Minister receives a request in writing from the corporation to reassess the particular taxation year to take into account the deduction of the loss.
- If a loss is being carried back to a **predecessor corporation**, enter the predecessor corporation's account number and taxation year end in the spaces provided under Application of Losses below.

Application of Losses

	Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
Total amount of loss	910 0	920 0	930 0	940 0
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income				
Predecessor Ontario Corporation's Tax Account No. (MOF) / Taxation Year Ending (year month day)				
i) 3rd preceding ____ 901	911 0	921 0	931 0	941 0
ii) 2nd preceding ____ 902	912 0	922 0	932 0	942 0
iii) 1st preceding ____ 903	913 0	923 0	933 0	943 0
Total loss to be carried back	From 706 0	From 716 0	From 726 0	From 736 0
Balance of loss available for carry-forward	919 0	929 0	939 0	949 0

Summary

Income tax	+ From 230 or 320		748,809.
Corporate Minimum Tax	+ From 280		0.
Capital Tax	+ From 550		310,387.
Premium Tax	+ From 590		0.
Total Tax Payable	= 950		1,059,196.
Subtract: Payments	- 960		2,060,712.
Capital Gains Refund (s.48)	- 965		0.
Qualifying Environmental Trust Tax Credit *(Refer to Guide)*	- 985		0.
Specified Tax Credits *(Refer to Guide)*	- 955		0.
Other (specify) ____	-		0.
Balance	= 970		-1,001,516.
If payment due	Enclosed * 990		0.
If overpayment: Refund *(Refer to Guide)*	= 975		1,001,516.
Apply to (year month day)	980		0.

(Includes credit interest)

* Make your cheque (drawn on a Canadian financial institution) or a money order in Canadian funds, ***payable to the Minister of Finance*** and print your Ontario Corporation's Tax Account No. (MOF) on the back of cheque or money order. *(Refer to Guide for other payment methods.)*

Certification

I am an authorized signing officer of the corporation. I certify that this CT23 return, including all schedules and statements filed with or as part of this CT23 return, has been examined by me and is a true, correct and complete return and that the information is in agreement with the books and records of the corporation. I further certify that the financial statements accurately reflect the financial position and operating results of the corporation as required under section 75 of the *Corporations Tax Act*. The method of computing income for this taxation year is consistent with that of the previous year, except as specifically disclosed in a statement attached.

Name (please print)

Albert Singh

Title

VP Finance & CEO

Full Residence Address

Signature | Date

Note: Section 76 of the Corporations Tax Act provides penalties for making false or misleading statements or omissions.

Waterloo North Hydro Inc. **Attached Sch.**
Corp. Tax Acct. No. : 1800212 **Year Ended:** **2004-12-31**

ITEMS DEDUCTED FOR TAX IN EXCESS OF BOOK

NBV PER FINANCIAL STATEMENTS		83,801,434.00
LESS: LAND		-1,785,889.18
ADD: DEFERRED DEPOSITS		0.00
		0.00
UCC PER ONTARIO SCHEDULE 8		-97,719,761.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
	Total	-15,704,216.18

Corporate Minimum Tax - Schedule A: Calculation of CMT Base

DOLLARS ONLY

Banks - Net income/loss as per report accepted by Superintendent of Financial Institutions (SFI) under the Bank Act (Canada), adjusted so consolidation/equity methods are not used.

Net Income/Loss (unconsolidated, determined in accordance with GAAP)			± 2100	3,022,256.
Subtract (to the extent reflected in net income/loss):				
Provision for recovery of income taxes / benefit of current income taxes	+ 2101	0.		
Provision for deferred income taxes (credits) / benefit of future income taxes	+ 2102	0.		
Equity income from corporations	+ 2103	0.		
Share of partnership(s)/joint venture(s) income	+ 2104	0.		
Dividends received/receivable deductible under fed.s.112	+ 2105	0.		
Dividends received/receivable deductible under fed.s.113	+ 2106	0.		
Dividends received/receivable deductible under fed.s.83(2)	+ 2107	0.		
Federal Part VI.1 tax paid on dividends declared and paid, under fed.s.191.1(1) 0. X 9/3	+ 2108	0.		
Subtotal	=	0.	- 2109	0.
Add (to extent reflected in net income/loss):				
Provision for current taxes / cost of current income taxes	+ 2110	1,957,384.		
Provision for deferred income taxes (debits) / cost of future income taxes	+ 2111	0.		
Equity losses from corporations	+ 2112	0.		
Share of partnership(s)/joint venture(s) losses	+ 2113	0.		
Dividends that have been deducted to arrive at net income per Financial Statements s.57.4(1.1) (excluding dividends under fed.s.137(4.1))	+ 2114	0.		
Subtotal	=	1,957,384.	+ 2115	1,957,384.
Add/Subtract:				
Amounts relating to s.57.9 election/regulations for disposals etc. of property for current/prior years				
** Fed.s.85	+ 2116	0. or - 2117	0.	
** Fed.s.85.1	+ 2118	0. or - 2119	0.	
** Fed.s.97	+ 2120	0. or - 2121	0.	
** Amounts relating to amalgamations (fed.s.87) as prescribed in regulations for current/prior years	+ 2122	0. or - 2123	0.	
** Amounts relating to wind-ups (fed.s.88) as prescribed in regulations for current/prior years	+ 2124	0. or - 2125	0.	
** Amounts relating to s.57.10 election/regulations for replacement re fed.s.13(4), 14(6) and 44 for current/prior years	+ 2126	0. or - 2127	0.	
Interest allowable under ss.20(1)(c) or (d) of ITA to the extent not otherwise deducted in determining CMT adjusted net income	- 2150	0.		
Subtotal (Additions)	= 0.		+ 2128	0.
Subtotal (Subtractions)	=	0.	- 2129	0.
** Other adjustments			± 2130	0.
Subtotal ± 2100 - 2109 + 2115 + 2128 - 2129 ± 2130			= 2131	4,979,640.
** Share of partnership(s)/joint venture(s) **adjusted** net income/loss			± 2132	0.
Adjusted net income (loss) (if loss, transfer to 2202 in ***Schedule B: Continuity of CMT Losses Carried Forward, Page 19.***)			= 2133	4,979,640.
Deduct: * CMT losses: pre-1994 Loss	+ From 2210	0.		
* CMT losses: other eligible losses	+ 2211	0.		
	=	0.	- 2134	0.

* CMT losses applied cannot exceed adjusted net income or increase a loss

** *Retain calculations. Do not submit with this tax return.*

CMT Base	= 2135	4,979,640.

Transfer to CMT Base on Page 8

Corporate Minimum Tax (CMT)

DOLLARS ONLY

Schedule B: Continuity of CMT Losses Carried Forward

Balance at Beginning of year (1), (2)				+ 2201	0.
Add:	Current year's losses	+ 2202	0.		
	Losses from predecessor corporations on amalgamation (3)	+ 2203	0.		
	Losses from predecessor corporations on wind-up (3)	+ 2204	0.		
	Amalgamation (x) 2205 ☐ Yes Wind-up (x) 2206 ☐ Yes				
Subtotal		=	0.	+ 2207	0.
Adjustments (attach schedule)				± 2208	0.
CMT losses available	2201 + 2207 ± 2208			= 2209	0.
Subtract:	Pre-1994 loss utilized during the year to reduce adjusted net income	+ 2210	0.		
	Other eligible losses utilized during the year to reduce adjusted net income (4)	+ 2211	0.		
	Losses expired during the year	+ 2212	0.		
Subtotal		=	0.	- 2213	0.
Balances at End of Year (5)	2209 - 2213			= 2214	0.

Notes:

(1) Pre-1994 CMT loss (see s.57.1(1)) should be included in the balance at beginning of the year. Attach schedule showing computation of pre-1994 CMT loss.

(2) Where acquisition of control of the corporation has occurred, the utilization of CMT losses can be restricted. (see s.57.5(3) and s.57.5(7))

(3) Include and indicate whether CMT losses are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.57.5(8) and s.57.5(9))

(4) CMT losses must be used to the extent of the lesser of the adjusted net income 2133 and CMT losses available 2209.

(5) Amount in 2214 must equal sum of 2270 + 2290.

Schedule C: Analysis of CMT Losses Year End Balance by Year of Origin

For a pre-1994 loss, use the date of the last taxation year end before your corporation's first taxation year commencing after 1993.

	Year of Origin (oldest year first) year month day	CMT Losses of Corporation	CMT Losses of Predecessor Corporations
2240	9th preceding taxation year 1995-12-31	2260 0	2280 0
2241	8th preceding taxation year 1996-12-31	2261 0	2281 0
2242	7th preceding taxation year 1997-12-31	2262 0	2282 0
2243	6th preceding taxation year 1998-12-31	2263 0	2283 0
2244	5th preceding taxation year 1999-12-31	2264 0	2284 0
2245	4th preceding taxation year 2000-12-31	2265 0	2285 0
2246	3rd preceding taxation year 2001-12-31	2266 0	2286 0
2247	2nd preceding taxation year 2002-12-31	2267 0	2287 0
2248	1st preceding taxation year 2003-12-31	2268 0	2288 0
2249	Current taxation year 2004-12-31	2269 0	2289 0
Totals		2270 0	2290 0

The sum of amounts 2270 + 2290 ***must equal amount in*** 2214.

Corporate Minimum Tax (CMT)

DOLLARS ONLY

Schedule D: Continuity of CMT Credit Carryovers

Balance at Beginning of year (1)				+ 2301	0.
Add: Current year's CMT Credit (280 on page 8. If negative, enter NIL)	+ From 280	0.			
CMT Credit Carryovers from predecessor corporations (2)	+ 2302	0.			
Amalgamation (x) 2303 ☐ Yes Wind-up (x) 2304 ☐ Yes					
Subtotal	=	0.	+ 2305	0.	
Adjustments *(Attach schedule)*			± 2306	0.	
CMT credit carryover available 2301 + 2305 ± 2306			= 2307	0.	
				Transfer to Page 8	
Subtract: CMT Credit utilized during the year to reduce income tax (Page 8)	+ From 310	0.			
CMT Credit expired during the year	+ 2308	0.			
Subtotal	=	0.	- 2309	0.	
Balance at End of Year (3) 2307 - 2309			= 2310	0.	

Notes:

(1) Where acquisition of control of the corporation has occurred, the utilization of CMT credits can be restricted. (see s.43.1(5))

(2) Include and indicate whether CMT credits are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.43.1(4))

(3) Amount in 2310 must equal sum of 2370 + 2390.

Schedule E: Analysis of CMT Credit Carryovers Year End Balance by Year of Origin

	Year of Origin (oldest year first) year month day	CMT Credit Carryovers of Corporation	CMT Credit Carryovers of Predecessor Corporation(s)
2340	9th preceding taxation year 1995-12-31	2360 0	2380 0
2341	8th preceding taxation year 1996-12-31	2361 0	2381 0
2342	7th preceding taxation year 1997-12-31	2362 0	2382 0
2343	6th preceding taxation year 1998-12-31	2363 0	2383 0
2344	5th preceding taxation year 1999-12-31	2364 0	2384 0
2345	4th preceding taxation year 2000-12-31	2365 0	2385 0
2346	3rd preceding taxation year 2001-12-31	2366 0	2386 0
2347	2nd preceding taxation year 2002-12-31	2367 0	2387 0
2348	1st preceding taxation year 2003-12-31	2368 0	2388 0
2349	Current taxation year 2004-12-31	2369 0	2389 0
Totals		2370 0	2390 0

The sum of amounts 2370 + 2390 ***must equal amount in*** 2310.

Calculation of Tax Rates for the

- Incentive Deduction for Small Business Corporations (IDSBC) (Small Business Tax Credit) (S.41)
- Surtax on Canadian-controlled Private Corporations (s.41.1)

1. Calculation of IDSBC Rate

Number of Days In Taxation Year

		Days after December 31, 1998 and before January 1, 2000		Total Days		
7.00%	x	0	/	366	=	.0000%
		Days after Dec 31, 1999 and before Jan 1, 2001		Total Days		
7.50%	x	0	/	366	=	.0000%
		Days after Dec 31, 2000 and before Oct 1, 2001		Total Days		
7.50%	x	0	/	366	=	.0000%
		Days after Sept 30, 2001 and before Jan 1, 2003		Total Days		
6.50%	x	0	/	366	=	.0000%
		Days after Dec 31, 2002 and before Jan 1, 2004		Total Days		
7.00%	x	0	/	366	=	.0000%
		Days after Dec 31, 2003		Total Days		
8.50%	x	366	/	366	=	8.5000%
IDSBC Rate for the Taxation Year					=	8.5000%

2. Calculation of Specified Rate for Surtax

		Number of Days In Taxation Year			
		Days after Dec 31, 1998 and before Jan 1, 2000		Total Days	
4.67%	x	0	/	366	= .0000%
		Days after Dec 31, 1999 and before Jan 1, 2001		Total Days	
5.00%	x	0	/	366	= .0000%
		Days after Dec 31, 2000 and before Oct 1, 2001		Total Days	
5.00%	x	0	/	366	= .0000%
		Days after Sept 30, 2001 and before Jan 1, 2003		Total Days	
4.3330%	x	0	/	366	= .0000%
		Days after Dec 31, 2002 and before Jan 1, 2004		Total Days	
4.6670%	x	0	/	366	= .0000%
		Days after Dec 31, 2003		Total Days	
4.6670%	x	366	/	366	= 4.6670%
Specified Rate of Surtax for the Taxation Year					= 4.6670%

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Ontario

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

Surtax on Canadian-Controlled Private Corporations

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Waterloo North Hydro Inc.	1800212	2004-12-31

Name of Associated Corporation (Canadian and Foreign)	Corporations Tax Number	Taxation Year End	Taxable Income (if loss, enter nil)
WATERLOO NORTH HYDRO HOLDING	1800211	2004-12-31	+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
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			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
		Total	
		Transfer to 85 *of the CT23*	=

Ontario

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

Corporate Minimum Tax - Associated Corporations

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Waterloo North Hydro Inc.	1800212	2004-12-31

Name of Associated Corporation (Canadian and Foreign)	Corporations Tax Number	Taxation Year End	Total Assets	Total Revenue
WATERLOO NORTH HYDRO HOLDING	1800211	2004-12-31	+ 87,300,341	+ 6,440,694
			+	+
			+	+
			+	+

Ontario

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

Paid-Up Capital: Loans and Advances

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Waterloo North Hydro Inc.	1800212	2004-12-31

Loans or Advances Credited or Advanced to Corporation
(includes accounts payable to related parties outstanding at the taxation year end for 120 days or more, and accounts payable to non-related parties outstanding for 365 days or more at the taxation year end)

CUSTOMER DEPOSITS - CURRENT	+ 0
CUSTOMER DEPOSITS - LONG-TERM	+ 1,843,119
LONG-TERM DEBT	+ 51,474,099
CUSTOMER DEPOSITS INCLUDED IN CURRENT ASSETS	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
	+ 0
Total *Transfer to* 353 *of the CT23*	= 53,317,218

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

Summary of Capital Cost Allowance

Is the corporation electing under regulation 1101(5g)? [Y/N] N

1 Class number	2 Ontario unde-preciated capital cost at the beginning of the year (unde-preciated capital cost at the end of the prior year's CCA schedule)	3 Cost of acquisitions during the year (new property must be available for use) See note 1 below	4 Net adjustments (show negative amounts in brackets)	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	6 Ontario unde-preciated capital cost (column 2 plus column 3 or minus column 4 minus column 5)	7 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5) See note 2 below	8 Reduced unde-preciated capital cost (column 6 minus column 7)	9 CCA rate %	10 Recapture of capital cost allowance	11 Terminal loss	12 Ontario capital cost allowance (column 8 multiplied by column 9; or a lower amount)	13 Ontario unde-preciated capital cost at the end of the year (column 6 minus column 12)
1	90,172,744	4,374,734	0	0	94,547,478	2,187,367	92,360,111	4	0	0	3,694,404	90,853,074
8	4,204,072	928,359	0	0	5,132,431	464,179	4,668,252	20	0	0	933,650	4,198,781
10	2,820,502	590,709	0	30,857	3,380,354	279,926	3,100,428	30	0	0	930,128	2,450,226
12	20,408	435,360	0	0	455,768	217,680	238,088	100	0	0	238,088	217,680
Total	97,217,726	6,329,162	0	30,857	103,516,031	3,149,152	100,366,879		0	0	5,796,270	97,719,761
								Enter in boxes	[650]	[650]	[650] on the CT23	

Note 1. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule. See Regulation 1100(2) and (2.2) of the "Income Tax Act" (Canada).

Note 2. The net cost of acquisitions is the cost of acquisitions plus or minus certain adjustments from column 4.

Note 3. If the taxation year is shorter than 365 days, prorate the CCA claim.

Note 4. Ontario recapture should be included in net income after deducting the federal recapture and the Ontario terminal loss is deducted from net income after including the federal terminal loss.

Waterloo North Hydro Inc.

Ontario

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

1800212 2004-12-31

2003 Capital Tax Election of Associated Group Agreement for Allocation of $5,000,000 Exemption

CT23 SCHEDULE 591

Applies to taxation years ending in the 2003 calendar year.

The following associated group of corporations includes all the corporations in this associated group (excluding financial institutions and corporations exempt from capital tax) having a permanent establishment in Canada and are hereby making an election under subsection 69(2.1) of the *Corporation Tax Act* to allocate the tax effect (maximum of $15,000) from the group's $5,000,000 exemption from taxable paid-up capital for all taxation years which end in the 2003 calendar year, based on each corporation's total assets and Ontario allocation factor from each corporation's last taxation year ending in the 2002 calendar year.

Corporation having a permanent establishment in Canada	Last taxation year ending in 2002 calendar	Ontario Allocation A	Total Assets T	Net Deduction A x [$15,000 x (T + X)] ND	Allocation of Net Deduction AND
Corporation Tax Account Number (if applicable)	Year Month Day				995
1800212	2003-12-31	100.0000	114,836,479	8,079	15,000
Corporation Name: Waterloo North Hydro Inc.					
Authorized signing officer Title: VP Finance & CEO					
Name: Albert Singh	Signature				
Corporation Tax Account Number (if applicable)	Year Month Day				995
1800211	2003-12-31	100.0000	98,371,036	6,921	
Corporation Name: WATERLOO NORTH HYDRO HOLDING					
Authorized signing officer Title:					
Name:	Signature				
Corporation Tax Account Number (if applicable)	Year Month Day				995
Corporation Name					
Authorized signing officer Title					
Name	Signature				
Corporation Tax Account Number (if applicable)	Year Month Day				995
Corporation Name					
Authorized signing officer Title					
Name	Signature				
Corporation Tax Account Number (if applicable)	Year Month Day				995
Corporation Name					
Authorized signing officer Title					
Name	Signature				

Total Assets of Associated Group having permanent establishments in Canada ..... X 213,207,515 [959]

Total Net Deductions of Associated Group having permanent establishments in Canada ..... TND 15,000 [994]

Total Allocated Net Deductions of Associated Group having permanent establishments in Canada ..... TAND 15,000

Ontario

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

Taxable Capital of Associated Corporations

(Applicable to an associated group that has a permanent establishment in Canada)

Schedule CT21

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Waterloo North Hydro Inc.	1800212	2004-12-31

This schedule must be completed in determining the aggregate taxable capital of an associated group and/or partnership that has a permanent establishment (PE) in Canada.

Name of Associated Corporation (Must have a PE in Canada)	Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Taxable Capital
WATERLOO NORTH HYDRO HOLDING	1800211	2004-12-31	+ 4,097,735
			+
			+
			+

ONTARIO CONSENT FORM

This form authorizes the Ontario Ministry of Finance to release confidential client information to a designated third-party representative in matters pertaining to applicable legislation.

- Complete Parts 1, 2, and 5 to name a representative
- Complete Parts 3, 4, and 5 to cancel the consent provided for an existing representative
- Complete all the parts if you want to both name a new representative and cancel an existing representative

Part 1 - Consent for the release of information to a representative

Taxpayer's name:
Waterloo North Hydro Inc.

Ontario Corporation
Tax Account Number: 1800212

Taxpayer's address 1:..... 300 Northfield Drive East
Taxpayer's address 2:..... Box 640
City:..... Waterloo
Province:..... ON
Postal code:..... N2J-4A3

I consent to the release of confidential information about my Corporation Tax Return by the Ontario Ministry of Finance to the representative named below.

Representative's name:..... KPMG LLP
(If a firm, enter the name of the firm. If an individual, enter the first and last name of the individual)
Address 1:..... Marsland Centre 3rd Floor
Address 2:..... 20 Erb Street West
City:..... Waterloo
Province, territory or state:..... ON
Country (other than Canada):.....
Postal code:..... N2L-1T2
Zip code or foreign postal code:.....

If you named a firm as your representative and want to specify a particular individual of that firm, enter that individual's first and last name.

Representative's name

519-747-8800
Representative's telephone number Extension

519-747-8890
Representative's fax number

Part 2 - Details of consent

I request that this consent apply to all years. X OR

I request that this consent apply only to the following years:

1. All year-ends up to:
   Year Month Day
2. All year-ends beginning in: and all years after that.
   Year Month Day
3. The following year-ends only:
   Year Month Day Year Month Day
   Year Month Day Year Month Day

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Part 3 - Cancellation of the consent for the release of information to a representative

Taxpayer's name:
Waterloo North Hydro Inc.
Taxpayer's address 1:..... 300 Northfield Drive East
Taxpayer's address 2:..... Box 640
City:..... Waterloo
Province:..... ON
Postal code:..... N2J-4A3

Ontario Corporation
Tax Account Number: 1800212

I cancel all previous consents for all representatives. OR

I cancel my consent for the release of confidential information about my Corporation Tax Return by the Ontario Ministry of Finance to the representative named below.

Representative's name:
(If a firm, enter the name of the firm. If an individual, enter the first and last name of the individual.)
Address 1:.....
Address 2:.....

If you named a firm as your representative and want to cancel the consent with respect to a particular individual of that firm, enter that individual's first and last name.

Representative's name

Representative's telephone number

Representative's fax number

Part 4 - Details of cancellation of consent

I request that this cancellation of consent apply to all years. OR

I request that this cancellation of consent apply only to the following years:

1. All year-ends up to:
   Year Month Day

2. All year-ends beginning in: and all years after that.
   Year Month Day

3. The following year-ends only:
   Year Month Day Year Month Day

   Year Month Day Year Month Day

Part 5 - Signature

Print your name Albert Singh Title VP Finance & CEO
This form must be signed by an owner, partner, director, trustee, or officer.

Sign here_____ Date
Year Month Day

WE WILL NOT PROCESS THIS FORM IF IT IS NOT SIGNED

CCH Canadian Ltd. - Corporate Taxprep, 2003 CT23, ver 2-2004

Attachment R

2005
Tax Returns

2005-12-31

PAYMENTS - IN - LIEU

Canada Customs and Revenue Agency | Agence des douanes et du revenu du Canada

T2 CORPORATION INCOME TAX RETURN

200

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec, Ontario, or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporate return.

Parts, sections, subsections, and paragraphs mentioned on this return refer to the *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing. If you need more information about items on the return, see the *T2 Corporation – Income Tax Guide* (T4012).

Send one completed copy of this return, including schedules and the *General Index of Financial Information* (GIFI), to your tax services office or tax centre. You have to file the return within six months after the end of the corporation's taxation year. For more information on when and how to file T2 returns, refer to the Guide under the heading "Before you start."

055 **Do not use this area**

CLIENT'S COPY

Identification

Business Number (BN) 001 86584 4575 RC0001

Corporation's name

002 Waterloo North Hydro Inc.

Has the corporation changed its name since the last time we were notified? 003 1 Yes ☐ 2 No ☒

If *Yes*, do you have a copy of the articles of amendment? . . . 004 1 Yes ☐ 2 No ☐

Address of head office

Has the address changed since the last time we were notified? . . . . . 010 1 Yes ☐ 2 No ☒

011 300 Northfield Drive East

012 Box 640

City: 015 Waterloo

Province, territory, or state: 016 ON

Country (other than Canada): 017

Postal code/Zip code: 018 N2J 4A3

Mailing address (if different from head office address)

Has the address changed since the last time we were notified? . . . . . 020 1 Yes ☐ 2 No ☒

021 c/o

022

023

City: 025

Province, territory, or state: 026

Country (other than Canada): 027

Postal code/Zip code: 028

Location of books and records

Has the location of books and records changed since the last time we were notified? . . . . . 030 1 Yes ☐ 2 No ☒

031 300 Northfield Drive East

032

City: 035 Waterloo

Province,territory, or state: 036 ON

Country (other than Canada): 037

Postal code/Zip code: 038 N2J 4A3

040 Type of corporation at the end of the taxation year

1 ☒ Canadian-controlled private corporation (CCPC)

2 ☐ Other private corporation

3 ☐ Public corporation

4 ☐ Corporation controlled by a public corporation

5 ☐ Other corporation (specify, below)

If the type of corporation changed during the taxation year, provide the effective date of the change . . . . . 043 _____ YYYY MM DD

To which taxation year does this return apply?

Taxation year start: 060 2005-01-01 YYYY MM DD

Taxation year end: 061 2005-12-31 YYYY MM DD

Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? 063 1 Yes ☐ 2 No ☒

If *Yes*, provide the date control was acquired . . . . . 065 _____ YYYY MM DD

Is the corporation a professional corporation that is a member of a partnership? . . . . . 067 1 Yes ☐ 2 No ☒

Is this the first year of filing after:

Incorporation? . . . . . 070 1 Yes ☐ 2 No ☒

Amalgamation? . . . . . 071 1 Yes ☐ 2 No ☒

If *Yes*, complete lines 030 to 038 and attach Schedule 24.

Has there been a windup of a subsidiary under section 88 during the current taxation year? . . . . . 072 1 Yes ☐ 2 No ☒

If *Yes*, complete and attach Schedule 24.

Is this the final taxation year before amalgamation? . . . . . 076 1 Yes ☐ 2 No ☒

Is this the final return up to dissolution? . . . . . 078 1 Yes ☐ 2 No ☒

Is the corporation a resident of Canada?

080 1 Yes ☒ 2 No ☐ If *No*, give the country of residence on line 081 and complete and attach Schedule 97.

081

Is the non-resident corporation claiming an exemption under an income tax treaty? . . . . . 082 1 Yes ☐ 2 No ☒

If *Yes*, complete and attach Schedule 91.

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

085

1 ☐ Exempt under paragraph 149(1)(e) or (l)

2 ☐ Exempt under paragraph 149(1)(j)

3 ☐ Exempt under paragraph 149(1)(t)

4 ☐ Exempt under other paragraphs of section 149

Do not use this area

091	092	093	094	095	096

Attachments

Financial statement information: Use GIFI schedules 100, 125, and 141.
Schedules – Answer the following questions. For each *Yes* response, attach to the T2 return the schedule that applies.

		Yes	Schedule
Is the corporation related to any other corporations?	150	X	9
Does the corporation have any non-resident shareholders?	151		19
Is the corporation an associated Canadian-controlled private corporation?	160	X	23
Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit?	161		49
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162		11
If you answered *Yes* to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166		T5004
Is the corporation a member of a partnership for which a partnership identification number has been assigned?	167		T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust?	168		22
Did the corporation have any foreign affiliates during the year?	169		25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the federal *Income Tax Regulations*?	170		29
Has the corporation had any non-arm's length transactions with a non-resident?	171		T106
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172		
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	X	50
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	X	1
Has the corporation made any charitable donations; gifts to Canada, a province, or a territory; or gifts of cultural or ecological property?	202		2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203		3
Is the corporation claiming any type of losses?	204		4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205		5
Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206		6
i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return), b) a partnership, c) a foreign business, or d) a personal services business; or ii) is the corporation claiming the refundable portion of Part I tax?	207		7
Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
Does the corporation have any property that is eligible capital property?	210		10
Does the corporation have any resource-related deductions?	212		12
Is the corporation claiming reserves of any kind?	213		13
Is the corporation claiming a patronage dividend deduction?	216		16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217		17
Is the corporation an investment corporation or a mutual fund corporation?	218		18
Was the corporation carrying on business in Canada as a non-resident corporation?	220		20
Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221		21
Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226		26 *
Does the corporation have any Canadian manufacturing and processing profits?	227		27
Is the corporation claiming an investment tax credit?	231		31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232		T661
Is the corporation subject to gross Part I.3 tax?	233	X	33/34/35
Is the corporation a member of a related group with one or more members subject to gross Part I.3 tax?	236	X	36
Is the corporation claiming a surtax credit?	237		37
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
Is the corporation claiming a Part I tax credit?	242		42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243		43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	249		46
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250		39
Is the corporation claiming a Canadian film or video production tax credit refund?	253		T1131
Is the corporation claiming a film or video production services tax credit refund?	254		T1177
Is the corporation subject to Part XIII.1 tax?	255		92 *

*** We do not print this schedule.**

Attachments – continued from page 2

		Yes	Schedule
Did the corporation have any foreign affiliates that are not controlled foreign affiliates?	256		T1134-A
Did the corporation have any controlled foreign affiliates?	258		T1134-B
Did the corporation own specified foreign property in the year with a cost amount over $100,000?	259		T1135
Did the corporation transfer or loan property to a non-resident trust?	260		T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	261		T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	262		T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	263		T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	264		T1174

Additional information

Is the corporation inactive?	280	1 Yes	2 No X
Has the major business activity changed since the last return was filed? (enter *Yes* for first-time filers)	281	1 Yes	2 No X

What is the corporation's major business activity? 282 _____
(Only complete if *Yes* was entered at line 281.)

If the major business activity involves the resale of goods, show whether it is wholesale or retail 283 1 Wholesale ☐ 2 Retail ☐

Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.

284	Electricity	285	100.000 %
286		287	%
288		289	%

Did the corporation immigrate to Canada during the taxation year?	291	1 Yes	2 No X
Did the corporation emigrate from Canada during the taxation year?	292	1 Yes	2 No X

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI.	300	8,622,313	A
Deduct: Charitable donations from Schedule 2	311		
Gifts to Canada, a province, or a territory from Schedule 2	312		
Cultural gifts from Schedule 2	313		
Ecological gifts from Schedule 2	314		
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320		
Part VI.1 tax deduction from Schedule 43 *	325		
Non-capital losses of preceding taxation years from Schedule 4	331		
Net capital losses of preceding taxation years from Schedule 4	332		
Restricted farm losses of preceding taxation years from Schedule 4	333		
Farm losses of preceding taxation years from Schedule 4	334		
Limited partnership losses of preceding taxation years from Schedule 4	335		
Taxable capital gains or taxable dividends allocated from a central credit union	340		
Prospector's and grubstaker's shares	350		
Subtotal		▶	B
Subtotal (amount A **minus** amount B) (if negative, enter "0")		8,622,313	C
Add: Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355		D
Taxable income (amount C **plus** amount D)	360	8,622,313	
Income exempt under paragraph 149(1)(t)	370		
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 **minus** line 370)		8,622,313	Z

* This amount is equal to 3 times the Part VI.1 tax payable at line 724 on page 8.

Small business deduction

Canadian-controlled private corporations (CCPCs) throughout the taxation year

Income from active business carried on in Canada from Schedule 7 ..... 400 8,622,313 A

Taxable income from line 360 on page 3, **minus** 10/3 of the amount on line 632* on page 7, **minus** 3 times the amount on line 636** on page 7, and **minus** any amount that, because of federal law, is exempt form Part I tax ..... 405 8,622,313 B

Calculation of the business limit:

For all CCPCs, calculate the amount at line 4 below.

225,000	x	Number of days in the taxation year in 2003 / Number of days in the taxation year	365	=	1
250,000	x	Number of days in the taxation year in 2004 / Number of days in the taxation year	365	=	2
300,000	x	Number of days in the taxation year after 2004 / Number of days in the taxation year	365 / 365	= 300,000	3

Add amounts at lines 1, 2, and 3 300,000 4

Business limit (see notes 1 and 2 below) ..... 410 300,000 C

Notes:
1. For CCPCs that are not associated, enter the amount from line 4 on line 410. However, if the corporation's taxation year is less than 51 weeks, prorate the amount from line 4 by the number of days in the taxation year divided by 365, and enter the result on line 410.
2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.

Business limit reduction:

Amount C 300,000 x 415 *** 185,940 / 11,250 D = ... 4,958,400 E

Reduced business limit (amount C **minus** amount E) (if negative, enter "0") ..... 425 F

Small business deduction – 16.00 % of whichever amount is the least: A, B, C, or F ..... 430 G
(enter amount G on line 9 of page 7)

* Calculate the amount of foreign non-business income tax credit deductible on line 632 without reference to the refundable tax on the CCPC's investment income (line 604) and without reference to the corporate tax reductions under section 123.4.

** Calculate the amount of foreign business income tax credit deductible on line 636 without reference to the corporate tax reductions under section 123.4.

*** **Large corporation tax**

- The large corporation tax to be entered on line 415 is the gross Part I.3 tax, which is the amount before deducting the surtax credits, increased to reflect a full-year tax liability if the taxation year is less than 51 weeks. For the purpose of the business limit reduction, the gross Part I.3 tax is equal to 0.225% x (taxable capital employed in Canada **minus** $10,000,000).
- If the corporation is not associated with any corporations in both the current and the preceding taxation years, enter the corporation's gross Part I.3 tax for its **preceding** taxation year.
- If the corporation is not associated with any corporations in the current taxation year, but was associated in the preceding taxation year, enter the corporation's gross Part I.3 tax for its **current** taxation year.
- For corporations associated in the current taxation year, see Schedule 23 for the special rules that apply.

Accelerated tax reduction

Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction

Reduced business limit (amount from line 425) ..... x 300,000 / line 4 above = A

Net active business income (amount from line 400) * ..... 8,622,313 B

Taxable income from line 360 on page 3 **minus** 3 times the amount at line 636** on page 7, and **minus** any amount that, because of federal law, is exempt from Part I Tax 8,622,313 C

Deduct:

Aggregate investment income (amount from line 440 of page 6) ..... D

Amount C **minus** amount D (if negative, enter "0") ..... 8,622,313 ▶ 8,622,313 E

Amount A, B, or E above, whichever is less ..... F

Amount Z from Part 9 of Schedule 27 ..... x 100 / 7 = G

Amount QQ from Part 13 of Schedule 27 ..... H

Taxable resource income (amount from line 435 of page 5) I

Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) J

Amount on line 400, 405, 410, or 425 of the small business deduction, whichever is less K

Total of amounts G, H, I, J, and K ..... ▶ L

Amount F **minus** amount L (if negative, enter "0") ..... M

Accelerated tax reduction – 7.00 % of amount M (enter amount N on line 637 of page 7) ..... N

* If the amount at line 450 of Schedule 7 is positive, members of partnerships need to use Schedule 70 to calculate net active business income.

** Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

Resource deduction

Taxable resource income [as defined in subsection 125.11(1)] . . . . . 435 _____ A

Amount A	_____	x	Number of days in the taxation year in 2004 / Number of days in the taxation year	_____ / 365	x 2 % =	_____	B
Amount A	_____	x	Number of days in the taxation year in 2005 / Number of days in the taxation year	365 / 365	x 3 % =	_____	C
Amount A	_____	x	Number of days in the taxation year in 2006 / Number of days in the taxation year	_____ / 365	x 5 % =	_____	D
Amount A	_____	x	Number of days in the taxation year after 2006 / Number of days in the taxation year	_____ / 365	x 7 % =	_____	E

Resource deduction – total of amounts B, C, D, and E . . . . . 438 _____ F
(enter amount F on line 10 of page 7)

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the taxation year

Taxable income from line 360 on page 3 . . . . . 8,622,313 A

Amount Z from Part 9 of Schedule 27	_____	x 100 / 7 =	_____	B
Amount QQ from Part 13 of Schedule 27			_____	C
Taxable resource income from line 435 above			_____	D
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)			_____	E
Amount on line 400, 405, 410, or 425 on page 4, whichever is the least			_____	F
Aggregate investment income from line 440 of page 6			_____	G
Amount used to calculate the accelerated tax reduction (amount M of page 4)			_____	H
Total of amounts B, C, D, E, F, G, and H			▶ _____	I

Amount A **minus** amount I (if negative, enter "0") . . . . . 8,622,313 J

Amount J	8,622,313	x	Number of days in the taxation year after 2003 / Number of days in the taxation year	365 / 365	x 7 % =	603,562	K

General tax reduction for Canadian-controlled private corporations – amount K . . . . . 603,562 L
(enter amount L on line 638 of page 7)

General tax reduction

Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, or a mutual fund corporation

Taxable income from line 360 on page 3 . . . . . M

Amount Z from Part 9 of Schedule 27	_____	x 100 / 7 =	_____	N
Amount QQ from Part 13 of Schedule 27			_____	O
Taxable resource income from line 435 above			_____	P
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)			_____	Q
Total of amounts N, O, P, and Q			▶ _____	R

Amount M **minus** amount R (if negative, enter "0") . . . . . S

Amount S	_____	x	Number of days in the taxation year after 2003 / Number of days in the taxation year	365 / 365	x 7 % =	_____	T

General tax reduction – amount T . . . . . U
(enter amount U on line 639 of page 7)

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the taxation year

Aggregate investment income (amount P from Part 1 of Schedule 7) 440 _____ x 26 2 / 3 % = _____ A

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

Deduct:

Foreign investment income (amount O from Part 1 of Schedule 7) 445 _____ x 9 1 / 3 % = _____ (if negative, enter "0") _____ ▶ _____ B

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

Taxable income from line 360 on page 3 8,622,313

Deduct:

Amount on line 400, 405, 410, or 425 on page 4, whichever is the least _____

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

Foreign business income tax credit from line 636 of page 7 _____ x 3 = _____ ▶ _____

8,622,313

x 26 2 / 3 % = 2,299,283 D

Part I tax payable minus investment tax credit refund (line 700 **minus** line 780 from page 8) 1,907,256

Deduct: Corporate surtax from line 600 of page 7 96,570

Net amount 1,810,686 ▶ 1,810,686 E

Refundable portion of Part I tax – Amount C, D, or E, whichever is the least 450 _____ F

Refundable dividend tax on hand

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

Deduct: Dividend refund for the previous taxation year 465 _____ ▶ _____ G

Add the total of:

Refundable portion of Part I tax from line 450 above _____

Total Part IV tax payable from line 360 of Schedule 3 _____

Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation 480 _____ ▶ _____ H

Refundable dividend tax on hand at the end of the taxation year – Amount G **plus** amount H 485 _____

Dividend refund

Private and subject corporations at the time taxable dividends were paid in the taxation year

Taxable dividends paid in the taxation year from line 460 of Schedule 3 _____ x 1 / 3 _____ I

Refundable dividend tax on hand at the end of the taxation year from line 485 above _____ J

Dividend refund – Amount I or J, whichever is less (enter this amount on line 784 of page 8) _____

Part I tax

Base amount of Part I tax – 38.00 % of taxable income (line 360 or amount Z, whichever applies) from page 3 . . . . 550 3,276,479 A

Corporate surtax calculation

Base amount from line A above		3,276,479	1
Deduct:			
10 % of taxable income (line 360 or amount Z, whichever applies) from page 3		862,231	2
Investment corporation deduction from line 620 below			3
Federal logging tax credit from line 640 below			4
Federal qualifying environmental trust tax credit from line 648 below			5
For a mutual fund corporation or an investment corporation throughout the taxation year, enter amount a, b, or c below on line 6, whichever is the least:			
28.00 % of taxable income from line 360 of page 3	a		
28.00 % of taxed capital gains	b		6
Part I tax otherwise payable (line A **plus** lines C and D **minus** line F)	c		
Total of lines 2 to 6		862,231	7
Net amount (line 1 **minus** line 7)		2,414,248	8

Corporate surtax – 4.00 % of the amount on line 8 . . . . 600 96,570 B

Recapture of investment tax credit from line PPP in Part 21 of Schedule 31 . . . . 602 C

Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income (if it was a CCPC throughout the taxation year)

Aggregate investment income from line 440 on page 6			i
Taxable income from line 360 on page 3	8,622,313		
Deduct:			
Amount on line 400, 405, 410, or 425 of page 4, whichever is the least			
Net amount	8,622,313 ▶	8,622,313	ii

Refundable tax on CCPC's investment income – 6 2 / 3 % of whichever is less: amount i or ii . . . . 604 D

Subtotal (add lines A, B, C, and D) 3,373,049 E

Deduct:

Small business deduction from line 430 of page 4			9
Federal tax abatement	608	862,231	
Manufacturing and processing profits deduction from amount BB or amount RR of Schedule 27	616		
Investment corporation deduction	620		
(taxed capital gains 624)			
Additional deduction – credit unions from Schedule 17	628		
Federal foreign non-business income tax credit from Schedule 21	632		
Federal foreign business income tax credit from Schedule 21	636		
Accelerated tax reduction from amount N on page 4	637		
Resource deduction from line 438 on page 5			10
General tax reduction for CCPCs from amount L on page 5	638	603,562	
General tax reduction from amount U on page 5	639		
Federal logging tax credit from Schedule 21	640		
Federal political contribution tax credit	644		
Federal political contributions 646			
Federal qualifying environmental trust tax credit	648		
Investment tax credit from Schedule 31	652		
Apprenticeship job creation tax credit			11
Subtotal		1,465,793 ▶	1,465,793 F

Part I tax payable – Line E **minus** line F (enter amount G on line 700 of page 8) . . . . 1,907,256 G

Summary of tax and credits

Federal tax

Part I tax payable from page 7	700	1,907,256
Part I.3 tax payable from Schedule 33, 34, or 35	704	
Part II surtax payable from Schedule 46	708	
Part IV tax payable from Schedule 3	712	
Part IV.1 tax payable from Schedule 43	716	
Part VI tax payable from Schedule 38	720	
Part VI.1 tax payable from Schedule 43	724	
Part XIII.1 tax payable from Schedule 92	727	
Part XIV tax payable from Schedule 20	728	
Total federal tax		1,907,256

Add provincial or territorial tax:

Provincial or territorial jurisdiction 750 Ontario
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)

Net provincial or territorial tax payable (except Québec, Ontario, and Alberta)	760	
Provincial tax on large corporations (New Brunswick and Nova Scotia)	765	
Total tax payable	770	1,907,256 A

Deduct other credits:

Investment tax credit refund from Schedule 31	780	
Dividend refund from page 6	784	
Federal capital gains refund from Schedule 18	788	
Federal qualifying environmental trust tax credit refund	792	
Canadian film or video production tax credit refund (Form T1131)	796	
Film or video production services tax credit refund (Form T1177)	797	
Tax withheld at source	800	
Total payments on which tax has been withheld	801	
Allowable refund for non-resident-owned investment corporations from Schedule 26	804	
Provincial and territorial capital gains refund from Schedule 18	808	
Provincial and territorial refundable tax credits from Schedule 5	812	
Royalties deductible under Syncrude Remission Order	815	
Tax remitted under Syncrude Remission Order	816	
Tax instalments paid	840	
Total credits	890	B
Balance (line A **minus** line B)		1,907,256

If the result is negative, you have an **overpayment**.
If the result is positive, you have a **balance unpaid**.
Enter the amount on whichever line applies.
Generally, we do not charge or refund a difference of $2 or less.

Refund code 894 ____ Overpayment ____

Balance unpaid 1,907,256

Enclosed payment 898 1,907,256

Direct deposit request

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:

☐ Start ☐ Change information 910 ____ Branch number

914 ____ Institution number 918 ____ Account number

If the corporation is a Canadian-controlled private corporation throughout the taxation year, does it qualify for the one-month extension of the date the balance of tax is due? ..... 896 1 Yes ☐ 2 No ☒

Certification

I, 950 Singh (Last name) 951 Albert (First name) 954 VP Finance & CEO (Position, office, or rank)

am an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I further certify that the method of calculating income for this taxation year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.

955 2006-06-15 (Date (yyyy/mm/dd)) ____ Signature of the authorized signing officer of the corporation

956 (519) 886-5090 Telephone number

Is the contact person the same as the authorized signing officer? If *No*, complete the information below ..... 957 1 Yes ☒ 2 No ☐

958 ____ Name

959 ____ Telephone number

Language of correspondence – Langue de correspondance

990 Indicate the language in which you would like to receive correspondence. Indiquer la langue de correspondance de votre choix. 1 English / Anglais ☒ 2 Français / French ☐

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SCHEDULE 1

NET INCOME (LOSS) FOR INCOME TAX PURPOSES

Corporation's name	Business Number	Taxation year end Year Month Day
Waterloo North Hydro Inc.	86584 4575 RC0001	2005-12-31

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes. For more information, see the T2 *Corporation Income Tax Guide*.
- Please provide us with the applicable details in the identification area, and complete the applicable lines that contain a numbered black box. You should report amounts in accordance with the Generally Accepted Accounting Principles (GAAP).
- Sections, subsections, and paragraphs referred to on this schedule are from the *Income Tax Act*.

Net income (loss) after taxes and extraordinary items per financial statements				5,053,752 A
Add:				
Provision for income taxes – current	101	3,088,616		
Interest and penalties on taxes	103	43,750		
Amortization of tangible assets	104	6,240,525		
Loss on disposal of assets	111	20,435		
Non-deductible meals and entertainment expenses	121	15,205		
Reserves from financial statements – balance at the end of the year	126	3,230,843		
Subtotal of additions		12,639,374	▶	12,639,374
Other additions:				
Miscellaneous other additions:				
600 Ontario capital tax accrued in financial statements	290	335,161		
603b Ontario Specified Tax Credits 20,562				
Total 20,562	293	20,562		
Subtotal of other additions	199	355,723	▶	355,723
Total additions	500	12,995,097	▶	12,995,097
Deduct:				
Capital cost allowance from Schedule 8	403	5,960,413		
Reserves from financial statements – balance at the beginning of the year	414	3,141,233		
Subtotal of deductions		9,101,646	▶	9,101,646
Other deductions:				
Miscellaneous other deductions:				
700 Ontario capital tax	390	324,890		
Subtotal of other deductions	499	324,890	▶	324,890
Total deductions	510	9,426,536	▶	9,426,536
Net income (loss) for income tax purposes – enter on line 300 of the T2 return				8,622,313

T2 SCH 1 E (06)

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SCHEDULE 8

CAPITAL COST ALLOWANCE (CCA)

Name of corporation	Business Number	Taxation year end Year Month Day
Waterloo North Hydro Inc.	86584 4575 RC0001	2005-12-31

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

	1 Class number 200	2 Undepreciated capital cost at the beginning of the year 201	3 Cost of acquisitions during the year* 203	4 Net adjustments 205	5 Proceeds of dispositions during the year (amount not to exceed the capital cost) 207	6 Undepreciated capital cost (column 2 **plus** column 3 **plus** or **minus** column 4 **minus** column 5)	7 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)** 211	8 Reduced undepreciated capital cost (column 6 **minus** column 7)	9 CCA rate % 212	10 Recapture of capital cost allowance (amount on line 107 of Schedule 1) 213	11 Terminal loss (amount on line 404 of Schedule 1) 215	12 Capital cost allowance (column 8 **multiplied** by column 9; or a lower amount) (amount on line 403 of Schedule 1)*** 217	13 Undepreciated capital cost at the end of the year (column 6 **minus** column 12) 220
1	1	90,853,074	5,064,607		61,798	95,855,883	2,501,405	93,354,478	4	0	0	3,734,179	92,121,704
2	8	4,198,781	1,132,735		0	5,331,516	566,368	4,765,148	20	0	0	953,030	4,378,486
3	10	2,450,226	422,328		5,000	2,867,554	208,664	2,658,890	30	0	0	797,667	2,069,887
4	12	217,680	515,715		0	733,395	257,858	475,537	100	0	0	475,537	257,858
	Total	97,719,761	7,135,385		66,798	104,788,348	3,534,295	101,254,053				5,960,413	98,827,935

* Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule, see Regulation 1100(2) and (2.2).

** The net cost of acquisitions is the cost of acquisitions plus or minus certain adjustments from column 4.

*** If the taxation year is shorter than 365 days, prorate the CCA claim.
See the *T2 Corporation Income Tax Guide* for more information.

T2 SCH 8 (99)

Canada

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		7,135,385		
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	+			
	+			
Total additions per books	=	7,135,385		7,135,385
Proceeds up to original cost – Schedule 8 regular classes		66,798		
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	+			
	+	528		
Total proceeds per books	=	67,326	–	67,326
Depreciation and amortization per accounts – Schedule 1			–	6,240,525
Loss on disposal of fixed assets per accounts			–	20,435
Gain on disposal of fixed assets per accounts			+	
Net change per tax return			=	807,099

Financial statements

Fixed assets (excluding land) per financial statements

Closing net book value		84,608,533
Opening net book value	–	83,801,434
Net change per financial statements	=	807,099

If the amounts from the tax return and the financial statements differ, explain why below

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SCHEDULE 9

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Taxation year end Year Month Day
Waterloo North Hydro Inc.	86584 4575 RC0001	2005-12-31

This schedule is to be completed by a corporation having one or more of the following:
- related corporation(s)
- associated corporations(s)

	Name 100	Country of residence (if other than Canada) 200	Business Number (Canadian corporation only) (see note 1) 300	Relationship code (see note 2) 400	Number of common shares owned 500	% of common shares owned 550	Number of preferred shares owned 600	% of preferred shares owned 650	Book value of capital stock 700
1	WATERLOO NORTH HYDRO HOLDIN		NR	1					

Note 1: Enter "NR" if a corporation is not registered.
Note 2: Enter the code number of the relationship that applies from the following order: 1 – Parent 2 – Subsidiary 3 – Associated 4 – Related, but not associated.

T2 SCH 9(99)

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SCHEDULE 13

CONTINUITY OF RESERVES

Name of corporation	Business Number	Taxation year end Year Month Day
Waterloo North Hydro Inc.	86584 4575 RC0001	2005-12-31

- For use by corporations to provide a continuity of all reserves claimed which are allowed for tax purposes.
- References to parts, sections, subsections, paragraphs, and subparagraphs are from the federal *Income Tax Act*.
- File one completed copy of this schedule with the corporation's *T2 Corporation Income Tax Return*.
- For more information, see the *T2 Corporation Income Tax Guide*.

Part 1 – Capital gains reserves

	Description of property 001	Balance at the beginning of the year $ 002	Transfer on amalgamation or wind-up of subsidiary $ 003	Add $	Deduct $	Balance at the end of the year $ 004
1						
	Totals	008	009			010

The total capital gains reserve at the beginning of the taxation year plus the total capital gains reserve transfer on amalgamation or wind-up of subsidiary should be entered on line 880, and the total capital gains reserve at the end of the taxation year, should be entered on line 885 of Schedule 6.

Financial statement reserves (not deductible)

	Description	Balance at the beginning of the year	Transfer on amalgamation or wind-up of subsidiary	Add	Deduct	Balance at the end of the year
1	VESTED SICK LEAVE	204,984		183,705	204,984	183,705
2	POST EMPLOYMENT BENEFITS	2,832,249		2,943,138	2,832,249	2,943,138
3	ALLOWANCE FOR DOUBTFUL A	104,000				104,000
	Reserves from Section 2 below					
	Totals	3,141,233		3,126,843	3,037,233	3,230,843

The total opening balance plus the total transfers should be entered on line 414 of Schedule 1 as a deduction.
The total closing balance should be entered on line 126 of Schedule 1 as an addition.

Part 2 – Other reserves

Description	Balance at the beginning of the year $	Transfer on amalgamation or wind-up of subsidiary $	Add $	Deduct $	Balance at the end of the year $
Reserve for doubtful debts ☐	110	115			120
Reserve for undelivered goods and services not rendered ☐	130	135			140
Reserve for prepaid rent ☐	150	155			160
Reserve for December 31, 1995 income ☐	170	175			180
Reserve for refundable containers ☐	190	195			200
Reserve for unpaid amounts ☐	210	215			220
Insurance corporation policy reserves ☐					
Bank reserves ☐					
Other tax reserves ☐	230	235			240
Totals	270	275			280

Enter "X" in the column above if the tax reserve has also been reported on the corporation's financial statements. This allows offsetting entries on Schedule 1, resulting in a zero effect on net income for tax purposes.

The amount from line 270 plus the amount from line 275 should be entered on line 125 of Schedule 1 as an addition.
The amount from line 280 should be entered on line 413 of Schedule 1 as a deduction.

T2 SCH 13 E (99)

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SCHEDULE 23

AGREEMENT AMONG ASSOCIATED CANADIAN-CONTROLLED PRIVATE CORPORATIONS TO ALLOCATE THE BUSINESS LIMIT

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to assign a percentage for each associated corporation. This percentage will be used to allocate the business limit for purposes of the small business deduction. Information from this schedule will also be used to determine the date the balance of tax is due and to calculate the reduction to the business limit.
- An associated CCPC that has more than one taxation year ending in a calendar year, is required to file an agreement for each taxation year ending in that calendar year.

Column 1: Enter the legal name of each of the corporations in the associated group, including non-CCPCs and CCPCs that have filed an election under subsection 256(2) of the *Income Tax Act*, not to be associated for purposes of the small business deduction.

Column 2: Provide the Business Number for each corporation (if a corporation is not registered, enter "NR").

Column 3: Enter the code that applies to each corporation:

1 - associated for purposes of allocating the business limit (unless association code 5 applies)
2 - CCPC that is a "third corporation" that has elected under subsection 256(2) not to be associated for purposes of the small business deduction
3 - non-CCPC that is a "third corporation" as defined in subsection 256(2)
4 - associated non-CCPC
5 - associated CCPC that is not associated for purposes of allocating the business limit because of a subsection 256(2) election made by a "third corporation"

Column 4: Enter the business limit for the year of each corporation in the associated group that is computed at line 4 on page 4 of each respective corporation's T2 return.

Column 5: Assign a percentage to allocate the business limit to each corporation that has an association code 1 in column 3. The total of all percentages in column 5 cannot exceed 100%.

Column 6: Enter the business limit allocated to each corporation by multiplying the amount in column 4 times the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A. Ensure that the total at line A is equal to an amount in one of the following ranges, whichever applies:

– from $200,001 to $225,000, if the calendar year to which this agreement applies is 2003;
– from $225,001 to $250,000, if the calendar year to which this agreement applies is 2004; or
– from $250,001 to $300,000, if the calendar year to which this agreement applies is 2005.

If the calendar year to which this agreement applies is after 2005, ensure that the total at line A does not exceed $300,000.

- Allocation of the business limit

Date filed (do not use this area) . . . . . 025 Year Month Day

Enter the calendar year to which the agreement applies . . . . . 050 Year 2005

Is this an amended agreement for the above-noted calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? . . . . . 075 1 Yes ☐ 2 No ☒

	1 Names of associated corporations 100	2 Business Number of associated corporations 200	3 Asso-ciation code 300	4 Business limit for the year (before the allocation) $	5 Percentage of the business limit % 350	6 Business limit allocated* $ 400	
	Waterloo North Hydro Inc.	86584 4575 RC0001	1	300,000	100.0000	300,000	
1	WATERLOO NORTH HYDRO HOLDING	NR	1	300,000			
				Total	100.0000	300,000	A

Business limit reduction under subsection 125(5.1)

The business limit reduction is calculated in the small business deduction area of the T2 return. One of the amounts used in this calculation is the "Large corporation tax" at line 415 of the T2 return. If the corporation is a member of an associated group*** of corporations in the current taxation year, and that taxation year:

- starts before December 21, 2002, the amount at line 415 of the T2 return is equal to the gross Part I.3 tax of each corporation in the associated group*** for its last taxation year ending in the preceding calendar year. The gross Part I.3 tax is the amount before deducting the surtax credits, which is increased to reflect a full-year tax liability if the taxation year is less than 51 weeks; or
- starts after December 20, 2002, the amount at line 415 of the T2 return is equal to 0.225% x (A - $10,000,000) where, "A" is the total of taxable capital employed in Canada** of each corporation in the associated group*** for its last taxation year ending in the preceding calendar year.

*Each corporation will enter on line 410 of the T2 return, the amount allocated to it in column 6. However, if the corporation's taxation year is less than 51 weeks, prorate the amount in column 6 by the number of days in the taxation year divided by 365, and enter the result on line 410 of the T2 return.

If a CCPC has more than one taxation year ending in a calendar year and is associated in more than one of those years with another CCPC that has a taxation year ending in the same calendar year, the business limit for the second (and subsequent) taxation year(s) will be equal to the business limit allocated for the first taxation year ending in the calendar year.

**"Taxable capital employed in Canada" has the meaning assigned by subsection 181.2(1) or 181.3(1) or section 181.4 of the *Income Tax Act*.

***The associated group includes the corporation filing this schedule and each corporation that has an "association code" of 1 or 4 in column 3.

T2 SCH 23 (04)

Canada

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SCHEDULE 33

PART I.3 TAX ON LARGE CORPORATIONS

Name of corporation	Business Number	Taxation year end Year Month Day
Waterloo North Hydro Inc.	86584 4575 RC0001	2005-12-31

- This schedule is for use by corporations (other than financial institutions and insurance corporations) that have Part I.3 tax payable before deducting surtax credits (line 820 in Part 5). You should also use and file this schedule if you calculate a **gross Part I.3 tax for the purposes of unused surtax credit** (line 821 in Part 6) and a **current-year unused surtax credit** (line 850 in Part 8).
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the federal *Income Tax Act* and the *Income Tax Regulations*.
- Subsection 181(1) defines the terms "financial institution," "long-term debt," and "reserves."
- Subsection 181(3) provides the basis to determine the carrying value of a corporation's assets or any other amount under Part I.3 for its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or for a partnership in which it has an interest.
- No Part I.3 tax is payable for a taxation year by a corporation that was:
  1) a non-resident-owned investment corporation throughout the year;
  2) bankrupt [as defined by subsection 128(3)] at the end of the year;
  3) a deposit insurance corporation throughout the year, as defined by subsection 137.1(5), or deemed to be a deposit insurance corporation by subsection 137.1(5.1);
  4) exempt from tax under section 149 throughout the year on all of its taxable income;
  5) neither resident in Canada nor carrying on a business through a permanent establishment in Canada at any time in the year; or
  6) a corporation described in subsection 136(2) throughout the year, the principal business of which was marketing (including any related processing) natural products belonging to or acquired from its members or customers.
- File the completed Schedule 33 with the *T2 Corporation Income Tax Return* no later than six months from the end of the taxation year.
- This schedule may contain changes that had not yet become law at the time of printing.

Complete the following areas to determine the amounts needed to calculate Part I.3 tax. If the corporation was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 4, "Taxable capital employed in Canada."

Part 1 – Capital

Add the following amounts at the end of the year:

Reserves that have not been deducted in computing income for the year under Part I	101	3,163,737	
Capital stock (or members' contributions if incorporated without share capital)	103	26,526,424	
Retained earnings	104	17,953,904	
Contributed surplus	105		
Any other surpluses	106		
Deferred unrealized foreign exchange gains	107		
All loans and advances to the corporation	108	51,144,205	
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109		
Any dividends declared but not paid by the corporation before the end of the year	110		
All other indebtedness of the corporation (other than any indebtedness in respect of a lease) that has been outstanding for more than 365 days before the end of the year	111		
Proportion of the amount, if any, by which the total of all amounts (see note below) for the partnership of which the corporation is a member at the end of the year exceeds the amount of the partnership's deferred unrealized foreign exchange losses	112		
Subtotal		98,788,270 ▶	98,788,270 A

Deduct the following amounts:

Deferred tax debit balance at the end of the year	121		
Any deficit deducted in computing its shareholders' equity (including, for this purpose, the amount of any provision for the redemption of preferred shares) at the end of the year	122		
Any amount deducted under subsection 135(1) in computing income under Part I for the year, to the extent that the amount may reasonably be regarded as being included in any of lines 101 to 112 above	123		
The amount of deferred unrealized foreign exchange losses at the end of the year	124		
Subtotal		▶	B
Capital for the year (amount A minus amount B) (if negative, enter "0")	190		98,788,270

Note:

Lines 101, 107, 108, 109, 111, and 112 are determined as follows:

- If the partnership is a member of another partnership (tiered partnerships), include the amounts of the partnership and tiered partnerships.
- Amounts for the partnership and tiered partnerships are those that would be determined under lines 101, 107, 108, 109, 111, and 112 as if they apply in the same way that they apply to corporations.
- Amounts owing to the member or to other corporations that are members of the partnership are not to be included.
- Amounts are determined as at the end of the last fiscal period of the partnership ending in the year of the corporation.
- The proportion of the total amounts is determined by the corporation's share of the partnership's income or loss for the fiscal period of the partnership.

Part 2 – Investment allowance

Add the carrying value at the end of the year of the following assets of the corporation:

A share of another corporation	401	
A loan or advance to another corporation (other than a financial institution)	402	
A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution)	403	
Long-term debt of a financial institution	404	
A dividend receivable on a share of the capital stock of another corporation	405	
A loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim, or similar obligation of, a partnership all of the members of which, throughout the year, were other corporations (other than financial institutions) that were not exempt from tax under Part I.3 (other than by reason of paragraph 181.1(3)(d))	406	
An interest in a partnership (see note 1 below)	407	
Investment allowance for the year	490	

Notes:

1. Where the corporation has an interest in a partnership or tiered partnerships, consider the following:
   - the investment allowance of a partnership is deemed to be the amount calculated at line 490 above, at the end of its fiscal period, as if it was a corporation;
   - the total of the carrying value of each asset of the partnership described in the above lines is for its last fiscal period ending at or before the end of the corporation's taxation year; and
   - the carrying value of a partnership member's interest at the end of the year is its specified proportion [as defined in subsection 248(1)] of the partnership's investment allowance.
2. Lines 401 to 405 should not include the carrying value of a share of the capital stock of, a dividend payable by, or indebtedness of a corporation that is exempt from tax under Part I.3 [other than by reason of paragraph 181.1(3)(d)].
3. Where a trust is used as a conduit for loaning money from a corporation to another related corporation (other than a financial institution), the loan will be considered to have been made directly from the lending corporation to the borrowing corporation, according to subsection 181.2(6).

Part 3 – Taxable capital

Capital for the year (line 190)		98,788,270	C
Deduct: Investment allowance for the year (line 490)			D
Taxable capital for the year (amount C minus amount D) (if negative, enter "0")	500	98,788,270	

Part 4 – Taxable capital employed in Canada

To be completed by a corporation that was resident in Canada at any time in the year

Taxable capital for the year (line 500) 98,788,270 x (Taxable income earned in Canada 610 / Taxable income 8,622,313 / 8,622,313) = **Taxable capital employed in Canada** 690 98,788,270

Notes:

1. Regulation 8601 gives details on calculating the amount of taxable income earned in Canada.
2. Where a corporation's taxable income for a taxation year is "0," it shall, for the purposes of the above calculation, be deemed to have a taxable income for that year of $1,000.
3. In the case of an airline corporation, Regulation 8601 should be considered when completing the above calculation.

To be completed by a corporation that was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada

Total of all amounts each of which is the carrying value at the end of the year of an asset of the corporation used in the year or held in the year, in the course of carrying on any business it carried on during the year through a permanent establishment in Canada	701		
Deduct the following amounts:			
Corporation's indebtedness at the end of the year [other than indebtedness described in any of paragraphs 181.2(3)(c) to (f)] that may reasonably be regarded as relating to a business it carried on during the year through a permanent establishment in Canada	711		
Total of all amounts each of which is the carrying value at the end of year of an asset described in subsection 181.2(4) of the corporation that it used in the year, or held in the year, in the course of carrying on any business it carried on during the year through a permanent establishment in Canada	712		
Total of all amounts each of which is the carrying value at the end of year of an asset of the corporation that is a ship or aircraft the corporation operated in international traffic, or personal property used or held by the corporation in carrying on any business during the year through a permanent establishment in Canada (see note below)	713		
Total deductions (add lines 711, 712, and 713)		▶	E
Taxable capital employed in Canada (line 701 minus amount E) (if negative, enter "0")	790		

Notes: Complete line 713 only if the country in which the corporation is resident did not impose a capital tax for the year on similar assets, or a tax for the year on the income from the operation of a ship or aircraft in international traffic, of any corporation resident in Canada during the year.

Part 5 – Calculation of gross Part 1.3 tax

Taxable capital employed in Canada (line 690 or 790, whichever applies)			98,788,270
Deduct: Capital deduction claimed for the year (enter $50,000,000 or, for related corporations, the amount allocated on Schedule 36)	801	50,000,000	
Excess of taxable capital employed in Canada over capital deduction	811	48,788,270	

Line 811	48,788,270	x	Number of days in the taxation year before 2004 / Number of days in the taxation year	365	x 0.00225000	=		F
Line 811	48,788,270	x	Number of days in the taxation year in 2004 / Number of days in the taxation year	365	x 0.00200000	=		G
Line 811	48,788,270	x	Number of days in the taxation year in 2005 / Number of days in the taxation year	365 / 365	x 0.00175000	=	85,379	H
Line 811	48,788,270	x	Number of days in the taxation year in 2006 / Number of days in the taxation year	365	x	=		I
Line 811	48,788,270	x	Number of days in the taxation year in 2007 / Number of days in the taxation year	365	x	=		J

Note: The Part I.3 tax rate is reduced to 0% for the days in the taxation year that are after 2005.

Subtotal (add amounts F to J) 85,379 K

Where the taxation year of a corporation is less than 51 weeks, calculate the amount of gross Part I.3 tax as follows:

Amount K 85,379 x Number of days in the year (365) / 365 = L

Gross Part I.3 tax (amount K or L, whichever applies)	820	85,379

Part 6 – Calculation of gross Part I.3 tax for purposes of the unused surtax credit

Taxable capital employed in Canada (line 690 or 790, whichever applies)			98,788,270 M
Deduct: Line 801 above 50,000,000 x 1/5 =			10,000,000 N
Excess (amount M minus amount N) (if negative, enter "0")			88,788,270 O
Amount O 88,788,270 x 0.00225 =			199,774 P

Where the taxation year of a corporation is less than 51 weeks, calculate the amount of gross Part I.3 tax for purposes of the unused surtax credit as follows:

Amount P 199,774 x Number of days in the year (365) / 365 = Q

Gross Part I.3 tax for purposes of the unused surtax credit (amount P or Q, whichever applies)	821	199,774

Part 7 – Calculation of current-year surtax credit available

- Corporations can claim a credit against their Part I.3 tax for the amount of Canadian surtax payable for the year. This is called the surtax credit.
- Any unused surtax credit can be carried back three years or carried forward seven years. Unused surtax credits must be applied in order of the oldest first.
- Refer to subsection 181.1(7) of the Act when calculating the amount deductible for a corporation's unused surtax credits where control of the corporation has been acquired between the year in which the credits arose and the year in which you want to claim them.

For a corporation that was a non-resident of Canada throughout the year, enter amount a or b at line R, whichever is less:

a) line 600 from the T2 return			a	
b) line 700 from the T2 return			b	R

In any other case, enter amount c or d at line S, whichever is less:

c) line 600 from the T2 return	96,570	x	line 690 of this schedule / line 500 of this schedule	98,788,270 / 98,788,270	=	96,570 c	
d) line 700 from the T2 return						1,907,256 d	96,570 S

Current-year surtax credit available (amount R or S, whichever applies) 830 96,570

Part 8 – Calculation of current-year unused surtax credit

Current-year surtax credit available (line 830)		96,570
Less: Gross Part I.3 tax for purposes of the unused surtax credit (line 821)		199,774
Current-year unused surtax credit (if negative, enter "0")	850	

Enter this amount at line 600 on Schedule 37.

Part 9 – Calculation of net Part I.3 tax payable

Gross Part I.3 tax (line 820)			85,379 T
Deduct:			
Current-year surtax credit applied (line 820 or 830, whichever is less)	861	85,379	
Unused surtax credit from previous years applied (amount from line 320 on Schedule 37)	862		
Subtotal (cannot be more than amount on line 820)		85,379 ▶	85,379 U
Net Part I.3 tax payable (amount T minus amount U)	870		

Enter this amount at line 704 of the T2 return.

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SCHEDULE 36

AGREEMENT AMONG RELATED CORPORATIONS – PART I.3 TAX

- Members of a related group of corporations should use this schedule to allocate the capital deduction of $50,000,000 among the members of the related group. **Do not file this agreement if no members of the related group have to pay Part I.3 tax.**
- In cases where a related corporation has more than one taxation year ending in a calendar year, it has to file an agreement for each of those taxation years.
- A corporation that is related to any other corporation at any time in a taxation year of the corporation that ends in a calendar year may file such an agreement.
- In accordance with subsection 181.5(7) of the federal *Income Tax Act*, a Canadian-controlled private corporation is not considered to be related to another corporation for purposes of the capital deduction unless it is also associated with that corporation.

Agreement

Date filed (do not use this area) . . . . . 010 Year Month Day

Is this an amended agreement? . . . . . 020 1 Yes ☐ 2 No ☒

Calendar year to which the agreement applies . . . . . 030 Year 2005

Note: This agreement must include all the information indicated below for all members of the related group, including members to which no amount of capital deduction is allocated for the year. However, any member that is exempt from Part 1.3 tax under subsection 181.1(3) does not have to be included.

	Names of all corporations which are members of the related group 200	Business Number (if a corporation is not registered, enter "NR") 300	Allocation of capital deduction for the year $ 400	Taxation year end to which this agreement applies* (YYYY/MM/DD) 500
	Waterloo North Hydro Inc.	86584 4575 RC0001	50,000,000	
1	WATERLOO NORTH HYDRO HOLDING	NR		

Total (cannot be more than $50,000,000) 50,000,000

* Entries are only required in this column for a corporation that has more than one taxation year ending in the same calendar year and is related in two or more of those taxation years to another corporation that has a taxation year ending in that calendar year. The capital deduction of the first corporation for each such taxation year at the end of which it is related to the other corporation is an amount equal to its capital deduction for the first such taxation year. Enter the taxation year end to which this agreement applies.

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SCHEDULE 50

SHAREHOLDER INFORMATION

Name of corporation	Business Number	Taxation year end Year Month Day
Waterloo North Hydro Inc.	86584 4575 RC0001	2005-12-31

All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

		Provide only one number per shareholder				
	Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual or trust) 100	Business Number 200	Social Insurance Number 300	Trust Number 350	Percentage common shares 400	Percentage preferred shares 500
1	WATERLOO NORTH HYDRO HOLDING CORPORATION	NR			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						

T2 SCH 50 (06)

Canada

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BUSINESS CONSENT FORM

Use this form to consent to the release of confidential information about your Business Number (BN) account(s) to the representative named below, or to cancel consent for an existing representative.

- Complete Parts 1, 2, and 5 to name a representative.
- Complete Parts 3, 4 and 5 to cancel consent for an existing representative.
- Complete all parts of this form if you want to both name a new representative and cancel consent for an existing representative.

If you have questions, such as where to send this form, call us at 1-800-959-5525.

Part 1 – Consent to release of information to a representative

Client's name: Waterloo North Hydro Inc. Business Number: 86584 4575 RC0001

I consent to the release of confidential information about my BN account(s) by the Canada Customs and Revenue Agency to the representative named below.

KPMG LLP

Representative's name (If a firm, enter the name of the firm. If an individual, enter the first and last name of the individual.)

If you named a firm as your representative, and you want to specify a particular individual of that firm, enter that individual's first and last name.

(519) 747-8800 Representative's telephone number | Extension | (519) 747-8890 Representative's fax number

Part 2 – Details of consent

A. Which accounts?

I request that this consent apply to all accounts. [X] OR

I request that this consent apply only to the following accounts.

(Check the appropriate box or boxes. If you wish to authorize access to more than one account of the same type, for example RP0002 and RP0003, please print account numbers in the spaces provided.)

Corporate income tax	RC0001	[ ]	RC _____	RC _____
GST/HST	RT0001	[ ]	RT _____	RT _____
Payroll deductions	RP0001	[ ]	RP _____	RP _____
Import/Export	RM0001	[ ]	RM _____	RM _____

B. Which years?

I request that this consent apply to all years. [X] OR

I request that this consent apply only to the following years:

1. All year-ends up to: _____ Year Month Day
2. All year-ends beginning in: _____ Year Month Day and all years after that.
3. The following year-ends only: _____ Year Month Day _____ Year Month Day

_____ Year Month Day _____ Year Month Day

RC59 E (01)

Canada

Part 3 – Cancellation of consent to release of information to a representative

Client's name: _____ Business Number: _____

I cancel all previous consents for all representatives. ☐ OR

I cancel my consent to the release of confidential information about my BN account(s) by the Canada Customs and Revenue Agency to the representative named below.

Representative's name (If a firm, enter the name of the firm. If an individual, enter the first and last name of the individual.)

If you named a firm as your representative, and you want to cancel the consent for a particular individual of that firm, enter that individual's first and last name.

Representative's telephone number

Representative's fax number

Part 4 – Details of cancellation of consent

A. Which accounts?

I request that this cancellation of consent apply to all accounts. ☐ OR

I request that this cancellation of consent apply only to the following accounts.

(Check the appropriate box or boxes. If you wish to cancel access to more than one account of the same type, for example RP0002 and RP0003, please print account numbers in the spaces provided.)

Corporate income tax	RC0001	☐	RC _____	RC _____
GST/HST	RT0001	☐	RT _____	RT _____
Payroll deductions	RP0001	☐	RP _____	RP _____
Import/Export	RM0001	☐	RM _____	RM _____

B. Which years?

I request that this cancellation of consent apply to all years. ☐ OR

I request that this cancellation of consent apply only to the following years:

1. All year-ends up to: _____ (Year Month Day)
2. All year-ends beginning in: _____ (Year Month Day) and all years after that.
3. The following year-ends only: _____ (Year Month Day) _____ (Year Month Day)

_____ (Year Month Day) _____ (Year Month Day)

Part 5 – Signature

Your name Albert Singh Title VP Finance & CEO

This form must be signed by an owner, partner, director, trustee, or officer.

Sign here ▶ _____ Date 2006-06-15 (Year Month Day)

WE WILL NOT PROCESS THIS FORM IF IT IS NOT SIGNED

Ontario

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

CLIENT'S COPY

Apprenticeship Training Tax Credit (ATTC)

CT23 Schedule 114

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Waterloo North Hydro Inc.	1800212	2005-12-31

Instructions for completing the ATTC Claim Form

- Enter the relevant details for each eligible apprentice, including the amount of tax credit.
- Your total tax credit for the taxation year is equal to the sum of the tax credits for each eligible apprentice.
- Enter the total tax credit claimed on line 203, page 7 of the CT23 Long, or page 4 of the CT23 Short, or page 4 of the CT8.
- Enter the total number of apprentices hired on line 202, page 7 of the CT23 Long, or page 4 of the CT23 Short, or page 4 of the CT8.
- Corporations are eligible for a 25% (30% in the case of corporations with payroll not exceeding $400,000) refundable tax credit on wages and salaries paid or payable for services performed after May 18, 2004 by an eligible apprentice during the first 36 months of an apprenticeship.
- The maximum amount of credit that can be claimed in respect of each eligible apprentice is $5,000 per year to a maximum of $15,000 over the first 36 months of the apprenticeship. The maximum annual tax credit of $5,000 is pro-rated for the number of days the apprentice was employed during the taxation year.
- The credit is *considered government assistance* and is therefore *to be included in income* in the year the credit is claimed.

Summary of Apprenticeship Training Tax Credit Claimed

Complete a separate entry for each eligible apprentice that is in a qualifying skilled trade and hired before January 1, 2008. This credit applies to **salaries and wages paid after May 18, 2004 and before January 1, 2011** to eligible apprentices during the first 36 months of an apprenticeship.

Example: A taxpayer, with a December 31, 2004 taxation year end, hires an otherwise eligible apprentice on June 1, 2004 at a salary of $3,500 per month. The taxpayer's salaries and wages in the preceding taxation year were $700,000. The credit claimed is the lesser of *(1) 25% of salaries paid to the apprentice during the period of employment (25% x $3,500 x 7 = $6,125), and *(2) $5,000 multiplied by the number of days the apprentice was employed during the taxation year, divided by the total number of days in the calendar year ($5,000 x 214/366 = $2,923). Hence, the credit claimed in the 2004 taxation year is $2,923.

Eligible Apprenticeship

Trade Code	Description of Apprenticeship Program	Apprentice Name and Social Insurance No. (SIN)	Registration Date of Apprenticeship Contract or Training Agreement year month day	Contract or Agreement No.	Employment Period year month day	Eligible Expenditures (EE)	* Credit Claimed (see notes below)
434a	Power Lineworker	Name Jeff Seibert SIN 478 779 275	2003-12-11	69500	From 2005-01-01 To 2005-12-31	26,334	5,000
434a	Power Lineworker	Name Becky Cook SIN 486 550 163	2003-04-29	A69181	From 2005-01-01 To 2005-12-31	70,948	5,000
	See schedule					132,263	10,562
					Totals	5874 229,545	5898 20,562

f insufficient space, attach schedule

Transfer to 203 *on Page 7 of the CT23 Long or Page 4 of the CT23 Short, or Page 4 of the CT8*

Corporation's salaries & wages paid in the preceding taxation year A $ 6,838,385 •

- If A is $600,000 or greater use 25%.
- If A is $400,000 or less use 30%.
- If A is over $400,000 but less than $600,000 use the following formula to calculate the specified percentage:
  Specified percentage = .30 – [.05 (From A 6,838,385 • – $400,000) ÷ $200,000]

ndicated specified percentage used 25.0000 %

Credit claimed equals lesser of:

(1) EE multiplied by the specified percentage, and

(2) $5,000 x number of days the apprentice was employed in the taxation year
365 (366 if leap year)

Total Number of Apprentices . . . . . = 5896 5 •

Transfer to 202 *on Page 7 of the CT23 Long or Page 4 of the CT23 Short, or Page 4 of the CT8*

Apprenticeship Training Tax Credit (ATTC)

CT23 Schedule 114

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Waterloo North Hydro Inc.	1800212	2005-12-31

Eligible Apprenticeship

Trade Code	Description of Apprenticeship Program	Apprentice Name and Social insurance No. (SIN)	Registration Date of Apprenticeship Contract or Training Agreement year month day	Contract or Agreement No.	Employment Period year month day	Eligible Expenditures (EE)	* Credit Claimed (see notes below)
434a	Power Lineworker	Name Brian Martin SIN 490 726 890	2003-08-06	A69066	From 2005-01-01 To 2005-12-31	64,418	5,000
434a	Power Lineworker	Name Kevin Plant SIN 504 612 722	2004-02-05	A69182	From 2005-01-01 To 2005-12-31	63,165	5,000
434a	Power Lineworker	Name Jason Thomson SIN 478 752 553	2005-11-21	D29049	From 2005-11-21 To 2005-12-31	4,680	562
					Totals	132,263	10,562

Ontario

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

2006

PAYMENTS IN LIEU

CT23 Corporations Tax and Annual Return

For taxation years commencing after December 31, 2003

Corporations Tax Act – Ministry of Finance (MOF)
Corporations Information Act – Ministry of Government Services (MGS)

This form is a combination of the Ministry of Finance (MOF) **CT23 Corporations Tax Return** and the Ministry of Government Services (MGS) **Annual Return**. Page 1 is a common page required for both Returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the **Exempt from Filing (EFF)** declaration on page 2 or file the **CT23 Return** on pages 3-17. Corporations that **do not** meet the EFF criteria but **do** meet the Short-Form criteria, may request and file the **CT23 Short-Form Return** (see page 2).

The **Annual Return** (common page 1 and MGS Schedule A on pages 18 and 19, and Schedule K on page 20) contains non-tax information collected under the authority of the *Corporations Information Act* for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

MGS Annual Return Required? *(Not required if already filed or Annual Return exempt. Refer to Guide)* [X] Yes [ ] No

Ministry Use

Corporation's Legal Name *(including punctuation)*

Waterloo North Hydro Inc.

Ontario Corporations Tax Account No. (MOF)

1800212

Mailing Address

300 Northfield Drive East
Box 640
Waterloo
ON CA N2J 4A3

This Return covers the Taxation Year

Start: year 2005 month 01 day 01

End: year 2005 month 12 day 31

Has the mailing address changed since last filed CT23 Return? [ ] Yes | Date of Change: year month day

Date of Incorporation or Amalgamation

year 2000 month 03 day 01

Registered/Head Office Address

300 Northfield Drive East
Box 640
Waterloo
ON CA N2J 4A3

Ontario Corporation No. (MGS)

Location of Books and Records

300 Northfield Drive East
Waterloo
ON CA N2J 4A3

Canada Revenue Agency Business No.
If applicable, enter
86584 4575 RC0001

Name of person to contact regarding this CT23 Return	Telephone No.	Fax No.
Albert Singh	(519) 886-5090	

Jurisdiction Incorporated: Ontario

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

Ontario Canada

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

Commenced: year month day

Ceased: year month day

Former Corporation Name *(Extra-Provincial Corporations only)* [X] *Not Applicable* (MGS)

[X] *Not Applicable*

Preferred Language / *Langue de préférence*

[X] English *anglais* [ ] French *français*

Information on Directors/Officers/Administrators must be completed on MGS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MGS). ▶

No. of Schedule(s): 8

If there is **no change** to the Directors'/Officers'/Administrators' information previously submitted to MGS, please check (X) this box. Schedule(s) A and K are not required (MGS). ▶ [ ] No Change

Ministry Use

Certification (MGS)

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

Name of Authorized Person *(Print clearly or type in full)*

Albert Singh

Title: D [ ] Director O [X] Officer P [ ] Other individuals having knowledge of the Corporation's business activities

Note: Sections 13 and 14 of the *Corporations Information Act* provide penalties for making false or misleading statements or omissions.

CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

Please check applicable (X) box(es) and complete required information.

Type of corporation

1

1 [X] Canadian-controlled Private (CCPC) all year (Generally a private corporation of which 50% or more shares are owned by Canadian residents.) (fed.s.125(7)(b))

2 [ ] Other Private

3 [ ] Public

4 [ ] Non-share Capital

5 [ ] Other *(specify)* ▼

Share Capital with full voting rights owned by Canadian Residents (nearest percent) 100 %

2

1 [ ] Family Farm corporation s.1(2)

2 [ ] Family Fishing corporation s.1(2)

3 [ ] Mortgage Investment corporation s.47

4 [ ] Credit Union s.51

5 [ ] Bank Mortgage subsidiary s.61(4)

6 [ ] Bank s.1(2)

7 [ ] Loan and Trust corporation s.61(4)

8 [ ] Non-resident corporation s.2(2)(a) or (b)

9 [ ] Non-resident corporation s.2(2)(c)

10 [ ] Mutual Fund corporation s.48

11 [ ] Non-resident owned Investment corporation s.49

12 [ ] Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b)

14 [ ] Bare Trustee corporation

15 [ ] Branch of Non-resident s.63(1)

16 [ ] Financial institution prescribed by Regulation only

17 [ ] Investment Dealer

18 [ ] Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale

19 [X] Hydro successor, municipal electrical utility or subsidiary of either

20 [ ] Producer and seller of steam for uses other than for the generation of electricity

21 [ ] Insurance Exchange s.74.4

22 [ ] Farm Feeder Finance Co-operative corporation

23 [ ] Professional corporation (incorporated professionals only)

[ ] This is the first year filing after incorporation or an amalgamation (If checked, attach Ontario Schedule 24.)

[ ] Amended Return

[ ] Taxation year end change – Canada Revenue Agency approval required

[ ] Final taxation year up to dissolution *(Note: for discontinued businesses, see guide.)*

[ ] Final taxation year before amalgamation

[ ] The corporation has a floating fiscal year end

[ ] There has been a transfer or receipt of asset(s) involving a corporation having a Canadian permanent establishment outside Ontario

[ ] There was an acquisition of control to which subsection 249(4) of the federal *Income Tax Act* (ITA) applies since the previous taxation year

If checked, date control was acquired year month day

[ ] The corporation was involved in a transaction where all or substantially all (90% or more) of the assets of a non-arm's length corporation were received in the taxation year and subsection 85(1) or 85(2) of the federal ITA applied to the transaction (If checked, attach Ontario Schedule 44.)

[ ] First year filing of a parent corporation after winding-up a subsidiary corporation(s) under section 88 of the federal ITA during the taxation year. (If checked, attach Ontario Schedule 24.)

[ ] Section 83.1 of the CTA applies (redirection of payments for certain electricity corporations)

Yes	No	
[ ]	[X]	Was the corporation inactive throughout the taxation year?
[X]	[ ]	Has the corporation's Federal T2 Return been filed with the Canada Revenue Agency?

Are you requesting a refund due to:

[ ]	[X]	the Carry-back of a Loss?
[X]	[ ]	an Overpayment?
[ ]	[X]	a Specified Refundable Tax Credit?
[ ]	[X]	Are you a member of a Partnership or Joint Venture?

Complete if applicable

Ontario Retail Sales Tax Vendor Permit no. (Use head office no.)

Ontario Employer Health Tax Account no. (Use head office no.)

Specify major business activity

Allocation – If you carry on a business through a permanent establishment in a jurisdiction outside Ontario, you may allocate that portion of taxable income deemed earned in that jurisdiction to that jurisdiction (s.39) (Int.B. 3008). **DOLLARS ONLY**

Net Income (loss) for Ontario purposes (per reconciliation schedule, page 15)	±	From 690	8,622,313 .
Subtract: Charitable donations	–	1	.
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property *(Attach schedule 2)*	–	2	.
Subtract: Taxable dividends deductible, per federal Schedule 3	–	3	.
Subtract: Ontario political contributions *(Attach Schedule 2A)* (Int.B. 3002R)	–	4	.
Subtract: Federal Part VI.1 tax . x 3	–	5	.
Subtract: Prior years' losses applied – Non-capital losses From 715	–	From 704	.
Net capital losses (page 16) . x inclusion rate 50.000000 %	–	714	.
Farm losses	–	From 724	.
Restricted farm losses	–	From 734	.
Limited partnership losses	–	From 754	.
Taxable Income (Non-capital loss)	=	10	8,622,313 .
Addition to taxable income for unused foreign tax deduction for federal purposes	+	11	.
Adjusted Taxable Income 10 + 11 (if 10 is negative, enter 11)	=	20	8,622,313 .

Taxable Income

Number of Days in Taxation Year

From 10 (or 20 if applicable)	8,622,313 .	x	30 100.0000 % Ontario Allocation	x	12.5 %	x	Days after Dec. 31, 2002 and before Jan. 1, 2004 33 .	÷	Total Days 73 365	=	+	29	.
From 10 (or 20 if applicable)	8,622,313 .	x	30 100.0000 % Ontario Allocation	x	14 %	x	Days after Dec. 31, 2003 34 365	÷	Total Days 73 365	=	+	32	1,207,124 .
Income Tax Payable (before deduction of tax credits) 29 + 32										=		40	1,207,124 .

Incentive Deduction for Small Business Corporations (IDSBC) (s.41)

If this section is not completed, the IDSBC will be denied.

Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(5.1) not been applicable in the taxation year? (X) [X] Yes [ ] No

* Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a))		50	8,622,313 .
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	+ 51	8,622,313 .	
Add: Losses of other years deducted for federal purposes (fed.s.111)	+ 52	.	
Subtract: Losses of other years deducted for Ontario purposes (s.34)	– 53	.	
	=	8,622,313 .	54 8,622,313 .
Federal Business limit (line 410 of the T2 Return) for the year before the application of fed.s.125(5.1)		55	300,000 .

Ontario Business Limit Calculation

320,000 x Days after Dec. 31, 2002 and before Jan. 1, 2004: 31 . ÷ ** 365 = + 46 .

400,000 x Days after Dec. 31, 2003: 34 365 ÷ ** 365 = + 47 400,000 .

Business Limit for Ontario purposes 46 + 47 = 44 400,000 . x Percentage of Federal Business limit (from T2 Schedule 23). Enter 100% if not associated. 48 100.0000 % = 45 400,000 .

Income eligible for the IDSBC From 30 100.0000 % ***Ontario Allocation x 56 400,000 . = 60 400,000 .
Least of 50, 54 or 45

* ***Note:*** *Modified by s.41(6) and (7) for corporations that are members of a partnership. (Refer to Guide.)*

** ***Note:*** *Adjust accordingly for a floating taxation year and use 366 for a leap year.*

*** ***Note:*** *Ontario Allocation for IDSBC purposes may differ from* 30 *if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).*

continued on Page 5

Income Tax *continued from Page 4*

Calculation of IDSBC Rate - - - - - - - - - - - - - - - - - 7 % x (Number of Days in Taxation Year: Days after Dec. 31, 2002 and before Jan. 1, 2004 [31] ÷ Total Days [73] 365) = + [89]

8.5 % x (Days after Dec. 31, 2003 [34] 365 ÷ Total Days [73] 365) = + [90] 8.5000

IDSBC Rate for Taxation Year [89] + [90] - = [78] 8.5000

Claim - - - - - - - - - - - - - - - From [60] 400,000 . x From [78] 8.5000 % - - - = [70] 34,000 .

Corporations claiming the IDSBC must complete the Surtax section below if the corporation's taxable income (or if associated, the associated group's taxable income) is greater than the amount 400,000 in [114] below.

Surtax on Canadian-controlled Private Corporations (s.41.1)

Applies if you have claimed the Incentive Deduction for Small Business Corporations.

Associated Corporation - The Taxable Income of associated corporations is the taxable income for the taxation year ending on or before the date of this corporation's taxation year end.

***Taxable Income of the corporation** - - - - - - - - - - - - - - - - - - From [10] (or [20] if applicable) + [80] 8,622,313 .

If you are a member of an associated group (X) [81] [X] (Yes)

Name of associated corporation (Canadian & foreign) *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	* Taxable Income (if loss, enter nil)
WATERLOO NORTH HYDRO HOLDING	1800211	2005-12-31	+ [82] .
			+ [83] .
			+ [84] .

Aggregate Taxable Income [80] + [82] + [83] + [84] , etc. - - - - - - - - - - - - - - - - = [85] 8,622,313 .

320,000 x (Number of Days in Taxation Year: Days after Dec. 31, 2002 and before Jan. 1, 2004 [31] ÷ Total Days [73] 365) = + [115] .

400,000 x (Days after Dec. 31, 2003 [34] 365 ÷ Total Days [73] 365) = + [116] 400,000 .

[115] + [116] = 400,000 . ▶ - - - - - - - - - - [114] 400,000 .

(If negative, enter nil) - = [86] 8,222,313 .

Calculation of Specified Rate for Surtax - - - - - - - - - - 4.6670 % x (Number of Days in Taxation Year: Days after Dec. 31, 2002 [38] 365 ÷ Total Days [73] 365) = + [97] 4.6670

From [86] 8,222,313 . x From [97] 4.6670 % - - - - - - - - - - = [87] 383,735 .

From [87] 383,735 . x From [60] 400,000 . ÷ From [114] 400,000 . = [88] 383,735 .

Surtax Lesser of [70] or [88] - = [100] 34,000

* ***Note: Short Taxation Years*** – Special rules apply where the taxation year is less than 51 weeks for the corporation and/or any corporation associated with it.

continued on Page 6

Additional Deduction for Credit Unions (s.51(4)) *(Attach schedule 17)*

110 _____

Manufacturing and Processing Profits Credit (M&P) (s.43)

Applies to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined by regulations.

Eligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, after deducting depletion and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If you are claiming this credit, attach a copy of Ontario schedule 27.

The whole of the active business income qualifies as Eligible Canadian Profits if: **a)** your active business income from sources other than manufacturing and processing, mining, farming, logging or fishing is 20% or less of the total active business income and **b)** the total active business income is $250,000 or less.

Eligible Canadian Profits + 120 _____

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) – From 56 400,000

Add: Adjustment for Surtax on Canadian-controlled private corporations

From 100 34,000 ÷ From 30 100.0000 % ÷ From 78 8.5000 % = 121 400,000

*Ontario Allocation

Lesser of 56 or 121 + 122 400,000

120 – 56 + 122 = 130 _____

Taxable Income + From 10 8,622,313

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) – From 56 400,000

Add: Adjustments for Surtax on Canadian-controlled private corporations + From 122 400,000

Subtract: Taxable Income 10 8,622,313 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 8,622,313

Claim

Number of Days in Taxation Year

143 _____ (Lesser of 130 or 142) X From 30 100.0000 % (Ontario Allocation) X 1.5 % X [Days after Dec. 31, 2002 and before Jan. 1, 2004: 33 _____ ÷ Total Days 73 365] = + 154 _____

143 _____ (Lesser of 130 or 142) X From 30 100.0000 % (Ontario Allocation) X 2 % X [Days after Dec. 31, 2003: 34 365 ÷ Total Days 73 365] = + 156 _____

M&P claim for taxation year 154 + 156 = 160 _____

** Note: Ontario Allocation for M&P Credit purposes may differ from 30 if Taxable Income is allocated to foreign jurisdictions. See special rules (s.43(1))*

Manufacturing and Processing Profits Credit for Electrical Generating Corporations

= 161 _____

Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity

= 162 _____

Credit for Foreign Taxes Paid (s.40)

Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 3001R). *(Attach schedule).* 170 _____

Credit for Investment in Small Business Development Corporations (SBDC)

Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former *Small Business Development Corporations Act*)

Eligible Credit 175 _____ Credit Claimed 180 _____

Subtotal of Income Tax

40 – 70 + 100 – 110 – 160 – 161 – 162 – 170 – 180 = 190 1,207,124

continued on Page 7

Income Tax *continued from Page 6*

Specified Tax Credits *(Refer to Guide)*

Ontario Innovation Tax Credit (OITC) (s.43.3) ***Applies*** to scientific research and experimental development in Ontario.
Eligible Credit From 5620 OITC Claim Form *(Attach original Claim Form)* + 191

Co-operative Education Tax Credit (CETC) (s.43.4) ***Applies*** to employment of eligible students.
Eligible Credit From 5798 CT23 Schedule 113 *(Attach Schedule 113)* + 192

Ontario Film & Television Tax Credit (OFTTC) (s.43.5)
Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television productions. Name of Production 204
Eligible Credit From 5850 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC)
(Attach the original Certificate of Eligibility) + 193

Graduate Transitions Tax Credit (GTTC) (s.43.6) No. of Graduates From 6596
Applies to employment of eligible unemployed post secondary graduates, for employment commencing prior to July 6, 2004 and expenditures incurred prior to January 1, 2005. 194
Eligible Credit From 6598 CT23 Schedule 115 *(Attach Schedule 115)* + 195

Ontario Book Publishing Tax Credit (OBPTC) (s.43.7)
Applies to qualifying expenditures in respect of eligible literary works by eligible Canadian authors.
Eligible Credit From 6900 OBPTC Claim Form *(Attach **both** the original Claim Form and the Certificate of Eligibility)* + 196

Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8)
Applies to labour relating to computer animation and special effects on an eligible production.
Eligible Credit From 6700 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC)
(Attach the original Certificate of Eligibility) + 197

Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9)
Applies to qualifying R&D expenditures under an eligible research institute contract.
Eligible Credit From 7100 OBRITC Claim Form *(Attach original Claim Form)* + 198

Ontario Production Services Tax Credit (OPSTC) (s.43.10)
Applies to qualifying Ontario labour expenditures for eligible productions where the OFTTC has not been claimed.
Eligible Credit From 7300 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC)
(Attach the original Certificate of Eligibility) + 199

Ontario Interactive Digital Media Tax Credit (OIDMTC) (s.43.11)
Applies to qualifying labour expenditures of eligible products for the taxation year.
Eligible Credit From 7400 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC)
(Attach the original Certificate of Eligibility) + 200

Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)
Applies to qualifying expenditures in respect of eligible Canadian sound recordings.
Eligible Credit From 7500 OSRTC Claim Form *(Attach **both** the original Claim Form and the Certificate of Eligibility)* + 201

Apprenticeship Training Tax Credit (ATTC) (s.43.13) No. of Apprentices From 5896
Applies to employment of eligible apprentices. 202 5
Eligible Credit From 5898 CT23 Schedule 114 *(Attach Schedule 114)* + 203 20,562

Other (specify) _____ + 203.1

Total Specified Tax Credits 191 + 192 + 193 + 195 + 196 + 197 + 198 + 199 + 200 + 201 + 203 + 203.1 = 220 20,562

Specified Tax Credits ***Applied to reduce Income Tax*** = 225 20,562

Income Tax 190 – 225 **OR Enter NIL if reporting Non-Capital Loss** *(amount cannot be negative)* = 230 1,186,562

To determine if the Corporate Minimum Tax (CMT) is applicable to your Corporation, see **Determination of Applicability** section for the CMT on **Page 8.** If CMT is not applicable, transfer amount in 230 to Income Tax in **Summary** section on **Page 17.**

OR

If CMT is not applicable for the current taxation year but your corporation has CMT Credit Carryovers that you want to apply to reduce income tax otherwise payable, then proceed to and complete the **Application of CMT Credit Carryovers** section part B, on **Page 8.**

Corporate Minimum Tax (CMT)

DOLLARS ONLY

Total Assets of the corporation + 240 127,284,984 .

Total Revenue of the corporation + 241 133,962,999 .

The above amounts include the corporation's and associated corporations' share of any partnership(s) / joint venture(s) total assets and total revenue.

If you are a member of an associated group (X) 242 X (Yes)

Name of associated corporation (Canadian & foreign) *(if insufficient space attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Total Assets	Total Revenue
WATERLOO NORTH HYDRO HOLDING	1800211	2005-12-31	+ 243 92,258,629 .	+ 244 8,602,068 .
			+ 245 .	+ 246 .
			+ 247 .	+ 248 .

Aggregate Total Assets 240 + 243 + 245 + 247 , etc. = 249 219,543,613 .

Aggregate Total Revenue 241 + 244 + 246 + 248 , etc. = 250 142,565,067 .

Determination of Applicability

Applies if ***either*** Total Assets 249 exceeds $5,000,000 ***or*** Total Revenue 250 exceeds $10,000,000.

Short Taxation Years – Special rules apply for determining total revenue where the taxation year of the corporation or any associated corporation or any fiscal period of any partnership(s) / joint venture(s) of which the corporation or associated corporation is a member, is less than 51 weeks.

Associated Corporation – The total assets or total revenue of associated corporations is the total assets or total revenue for the taxation year ending on or before the date of the claiming corporation's taxation year end.

If CMT is applicable to current taxation year, complete section **Calculation: CMT** below and **Corporate Minimum Tax Schedule 101**.

Calculation: CMT *(Attach Schedule 101.)*

Gross CMT Payable – CMT Base From Schedule 101 2136 8,142,368 . (If negative, enter zero) X From 30 100.0000 % (Ontario Allocation) X 4 % = 276 325,695 .

Subtract: Foreign Tax Credit for CMT purposes *(Attach Schedule)* – 277 .

Subtract: Income Tax – From 190 1,207,124 .

Net CMT Payable (If negative, enter Nil on Page 17.) = 280 -881,429 .

If 280 is less than zero and you do not have a CMT credit carryover, transfer 230 from **Page 7** to **Income Tax Summary, on Page 17.**

If 280 is less than zero and you have a CMT credit carryover, complete A & B below.

If 280 is greater than or equal to zero, transfer 230 to **Page 17** and transfer 280 to **Page 17, and to Part 4 of Schedule 101: Continuity of CMT Credit Carryovers.**

CMT Credit Carryover available From Schedule 101 From 2333 .

Application of CMT Credit Carryovers

A. Income Tax (before deduction of specified credits) + From 190 1,207,124 .

Gross CMT Payable + From 276 325,695 .

Subtract: Foreign Tax Credit for CMT purposes – From 277 .

If 276 – 277 is negative, enter NIL in 290 = 325,695 . – 290 325,695 .

Income Tax eligible for CMT Credit = 300 881,429 .

B. Income Tax (after deduction of specified credits) + From 230 1,186,562 .

Subtract: CMT credit used to reduce income taxes – 310 .

Income Tax = 320 1,186,562 .

Transfer to page 17

If A & B apply, 310 ***cannot exceed the lesser of*** 230 , 300 ***and your CMT credit carryover available*** 2333 .

If only B applies, 310 ***cannot exceed the lesser of*** 230 ***and your CMT credit carryover available*** 2333 .

Capital Tax *(Refer to Guide and Int.B. 3011R)*

If your corporation is a Financial Institution (s.58(2)), complete lines 480 *and* 430 *on page 10 then proceed to page 13.*

If your corporation is not a member of an associated group and/or partnership and the Gross Revenue and Total Assets as calculated on page 10 in 480 *and* 430 *are both $3,000,000 or less, your corporation is exempt from Capital Tax for the taxation year, except for a branch of a non-resident corporation. A corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in* 550 *on page 12 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.*

Members of a partnership (limited or general) or a joint venture, must attach all financial statements of each partnership or joint venture of which they are a member. The Paid-up Capital of each corporate partner must include its share of liabilities that would otherwise be included if the partnership were a corporation. If Investment Allowance is claimed, Total Assets must be adjusted by adding the corporation's share of the partnership's Total Assets and by deducting investments in the partnership as it appears on the corporation's balance sheet, in addition to any other required adjustments (s.61(5)). Special rules apply to limited partnerships (Int.B. 3017R).

Any Assets and liabilities of a corporation that are being utilized in a joint venture must be included along with the corporation's other Assets and liabilities when calculating its Taxable Paid-up Capital.

Special rules and rates apply to Non-Resident corporations (s.63, s.64 and s.69(3)).

Paid-up Capital of Non-resident: Paid-up capital employed in Canada of a non-resident subject to tax by virtue of s.2(2)(a) or 2(2)(b), and whose **business is not carried on solely in Canada** is deemed to be the **greater** of (1) taxable Income in Canada divided by 8 percent or (2) total assets in Canada minus certain indebtedness in accordance with the provisions of s.63(1)(a) (Int.B. 3010).

Paid-up Capital

Paid-up capital stock (Int.B. 3012R and 3015R)	+	350	26,526,424
Retained earnings (if deficit, deduct) (Int.B. 3012R)	±	351	17,953,904
Capital and other surpluses, excluding appraisal surplus (Int.B.3012R)	+	352	
Loans and advances *(Attach schedule)* (Int.B. 3013R)	+	353	42,775,390
Bank loans (Int.B. 3013R)	+	354	9,366,667
Bankers acceptances (Int.B. 3013R)	+	355	
Bonds and debentures payable (Int.B. 3013R)	+	356	
Mortgages payable (Int.B. 3013R)	+	357	
Lien notes payable (Int.B. 3013R)	+	358	
Deferred credits (including income tax reserves, and deferred revenue where it would also be included in paid-up capital for the purposes of the large corporations tax) (Int.B. 3013R)	+	359	3,163,737
Contingent, investment, inventory and similar reserves (Int.B. 3012R)	+	360	
Other reserves not allowed as deductions for income tax purposes *(Attach schedule)* (Int.B. 3012R)	+	361	16,009,837
Share of partnership(s) or joint venture(s) paid-up capital *(Attach schedule(s))* (Int.B. 3017R)	+	362	
Subtotal	=	370	115,795,959
Subtract: Amounts deducted for income tax purposes in excess of amounts booked *(Retain calculations. Do not submit.)* (Int.B. 3012R)	–	371	
Deductible R & D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015R)	–	372	
Total Paid-up Capital	=	380	115,795,959
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015R)	–	381	
Electrical Generating Corporations Only – All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the *Corporations Tax Act*, and the assets are used both in generating electricity from a renewable or alternative energy source and are qualifying property as prescribed by regulation	–	382	
Net Paid-up Capital	=	390	115,795,959

Eligible Investments *(Refer to Guide and Int.B. 3015R)*

Attach computations and list of corporation names and investment amounts. Short-term investments (bankers acceptances, commercial paper, etc.) are eligible for the allowance only if issued for a term of and held for 120 days or more prior to the year end of the investor corporation.

Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)	+	402	
Mortgages due from other corporations	+	403	
Shares in other corporations (certain restrictions apply) *(Refer to Guide)*	+	404	
Loans and advances to unrelated corporations	+	405	
Eligible loans and advances to related corporations (certain restrictions apply) *(Refer to Guide)*	+	406	
Share of partnership(s) or joint venture(s) eligible investments *(Attach schedule)*	+	407	
Total Eligible Investments	=	410	

continued on Page 10

Total Assets (Int.B. 3015R) *DOLLARS ONLY*

Total Assets per balance sheet	+	420	127,284,984
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	127,284,984
Amounts in 360 and 361 (if deducted from assets)	+	440	
Subtract: Amounts in 371, 372 and 381	–	441	
Subtract: Appraisal surplus if booked	–	442	
Add or Subtract: Other adjustments (specify on an attached schedule)	±	443	
Total Assets	=	450	127,284,984

Investment Allowance (410 ÷ 450) x 390 Not to exceed 410 = 460

Taxable Capital 390 – 460 = 470 115,795,959

Gross Revenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue) 480 133,962,999

Total Assets (as adjusted) From 430 127,284,984

Calculation of Capital Tax for all Corporations except Financial Institutions

Note: *This version (2006) of the CT23 may only be used for a taxation year that commenced after December 31, 2003.*

Financial Institutions use calculations on page 13.

Important: If the corporation is a family farm corporation, family fishing corporation or a credit union that is not a Financial Institution, complete only Section A below.

OR If the corporation is **not** a member of an associated group and/or partnership, complete Section B below, then review only the Capital Tax calculations in Section C below, selecting and completing the one specific subsection (e.g. C3) that applies to the corporation.

OR If the corporation **is** a member of an associated group and/or partnership, complete Section B below and Section D on page 11, and if applicable, complete Section E or Section F on page 12. Note: if the corporation is a member of a connected partnership, please refer to the CT23 Guide for additional instructions before completing the Capital Tax section.

SECTION A

This section applies only if the corporation is a family farm corporation, a family fishing corporation or a credit union that is not a Financial Institution (Int.B. 3018).

Enter NIL in 550 on page 12 and complete the return from that point.

SECTION B

Calculation of Taxable Capital Deduction (TCD)

Number of Days in Taxation Year

		Days before Jan. 1, 2005		Total Days				
5,000,000	x	35	÷	73	365	= +	500	
		Days after Dec. 31, 2004 and before Jan. 1, 2006		Total Days				
7,500,000	x	36 365	÷	73	365	= +	501	7,500,000
		Days after Dec. 31, 2005 and before Jan. 1, 2007		Total Days				
10,000,000	x	37	÷	73	365	= +	502	
Taxable Capital Deduction (TCD)		500 + 501 + 502				=	503	7,500,000

SECTION C

This section applies if the corporation is **not** a member of an associated group and/or partnership.

C1. If 430 and 480 on page 10 are both $3,000,000 or less, enter NIL in 550 on page 12 and complete the return from that point.

C2. If Taxable Capital in 470 is **equal to or less than the TCD** in 503, enter NIL in 550 on page 12 and complete the return from that point.

C3. If Taxable Capital in 470 **exceeds the TCD** in 503, complete the following calculation and transfer the amount from 523 to 543 on page 12, and complete the return from that point.

\+ From 470 _____

– From 503 _____

= 471 _____ x From 30 100.0000 % (Ontario Allocation) x 0.3 % x Days in taxation year 555 365 / 365 (366 if leap year) = + 523 _____

If floating taxation year, refer to Guide.

Transfer to 543 *on page 12 and complete the return from that point*

continued on Page 11

Capital Tax Calculation *continued from Page 10*

SECTION D

This section applies ONLY to a corporation that is a member of an associated group (excluding Financial Institutions and corporations exempt from Capital Tax) and/or partnership. You must check either 509 or 524 and complete this section before you can calculate your Capital Tax Calculation under either Section E or Section F.

D1. ☐ 509 (X if applicable)

All corporations that you are associated with do **not** have a permanent establishment in Canada.

If Taxable Capital 470 on page 10 is equal to or less than the TCD 503 on page 10, enter NIL in 550 on page 12 and complete the return from that point.

If Taxable Capital 470 on page 10 exceeds the TCD 503 on page 10, proceed to **Section E**, enter the TCD amount in 542 in Section E, and complete Section E and the return from that point.

D2. ☒ 524 (X if applicable)

One or more of the corporations that you are associated with **maintains** a permanent establishment in Canada.

You and your associated group may continue to allocate the TCD by completing the Calculation below. Or, the associated group **may file an election** under subsection 69(2.1) of the *Corporations Tax Act*, whereby total assets are used to allocate the TCD among the associated group. Once a ss.69(2.1) election is filed, all members of the group will then be required to file in accordance with the election and allocate a portion (portion is henceforth referred to as **Net Deduction**) of the capital tax effect relating to the TCD to each corporation in the group on the basis of the ratio that each corporation's total assets multiplied by its Ontario allocation is to the total assets of the group.

The total asset amounts and Ontario allocation percentages to be used for this calculation must be taken from each corporation's financial information from its last taxation year ending in the immediately preceding calendar year.

In addition, although each corporation in the associated group may deduct its Net Deduction amount as apportioned by the total asset formula, the group may, at the group's option, reallocate the group's total Net Deduction among the group on what ever basis the corporate group wishes, as long as the total of the reallocated amounts does not exceed the group's total Net Deduction amount originally calculated for the associated group.

Calculation

Do **not** complete this calculation if ss.69(2.1) election is filed

Taxable Capital From 470 on page 10 - + From 470 _____ .

Determine aggregate taxable capital of an associated group (excluding financial institutions and corporations exempt from capital tax) and/or partnership having a permanent establishment in Canada

Names of associated corporations (excluding Financial Institutions and corporations exempt from Capital Tax) having a permanent establishment in Canada *(if insufficient space, attach schedule)*	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Taxable Capital
			+ 531 _____ .
			+ 532 _____ .
			+ 533 _____ .

Aggregate Taxable Capital 470 + 531 + 532 + 533 , etc. - - - - - - - - - - - - - - - - - = 540 _____ .

If 540 above is equal to or less than the TCD 503 on page 10, the corporation's Capital Tax for the taxation year, is NIL.

Enter NIL in 523 in section E on page 12, as applicable.

If 540 above is greater than the TCD 503 on page 10, the corporation must compute its share of the TCD below in order to calculate its Capital Tax for the taxation year under Section E on page 12.

From 470 _____ . ÷ From 540 _____ . X From 503 _____ . = 541 _____ .

Transfer to 542 *in Section E on page 12*

Ss.69(2.1) Election Filed

☒ 591 (X if applicable) **Election filed**. *Attach a copy of Schedule 591 with this CT23 Return.*
Proceed to **Section F** on page 12.

continued on Page 12

DOLLARS ONLY

Capital Tax Calculation *continued from Page 11*

SECTION E

This section applies if the corporation is a member of an associated group and/or partnership whose total **aggregate** Taxable Capital [540] on page 11 exceeds the TCD [503] on page 10.

Complete the following calculation and transfer the amount from [523] to [543], and complete the return from that point.

\+ From [470] _____ .
\- [542] _____ .
= [471] _____ . x From [30] 100.0000 % Ontario Allocation x 0.3 % x Days in taxation year [555] 365 * 365 (366 if leap year) = + [523] _____ .

Total Capital Tax for the taxation year

Transfer to [543] *and complete the return from that point*

SECTION F

This section applies if a corporation is a member of an associated group and the associated group has filed a ss.69(2.1) election

\+ From [470] 115,795,959 . x From [30] 100.0000 % Ontario Allocation x 0.3 % = + [561] 347,388 .

\- Capital tax deduction from [995] relating to **your corporation's** Capital Tax deduction, on Schedule 591 - - - \- From [995] 22,498 .

= [562] 324,890 .

Total Capital Tax for the taxation year

Capital Tax - - - - - - - - [562] 324,890 . x Days in taxation year [555] 365 * 365 (366 if leap year) = [563] 324,890 .

Transfer to [543] *and complete the return from that point*

** If floating taxation year, refer to Guide.*

Capital Tax before application of specified credits - = [543] 324,890 .

Subtract: Specified Tax Credits applied to reduce capital tax payable *(Refer to Guide)* - - - - - - - - - - - \- [546] _____ .

Capital Tax [543] – [546] *(amount cannot be negative)* - - - - - - - - - - - - - - - - - - - = [550] 324,890 .

Transfer to Page 17

continued on Page 13

Capital Tax *continued from Page 12*

Calculation of Capital Tax for Financial Institutions

1.1 Credit Unions only

For taxation years commencing **after May 4, 1999** enter NIL in [550] on page 12, and complete the return from that point.

1.2 Other than Credit Unions

(Retain details of calculations for amounts in boxes [565] and [570]. Do not submit with this tax return.)

[565] _____ x 0.6 % x From [30] 100.0000 % (Ontario Allocation) x [555] 365 (Days in taxation year) ÷ * 365 (366 if leap year) = + [569] _____

Lesser of adjusted Taxable Paid Up Capital and Basic Capital Amount in accordance with Division B.1

[570] _____ x [571] _____ x From [30] 100.0000 % (Ontario Allocation) x [555] 365 (Days in taxation year) ÷ * 365 (366 if leap year) = + [574] _____

Adjusted Taxable Paid Up Capital in accordance with Division B.1 in excess of Basic Capital Amount

Capital Tax Rate *(Refer to Guide)*

Capital Tax for Financial Institutions – other than Credit Unions (before Section 2) [569] + [574] = [575] _____

** If floating taxation year, refer to Guide.*

2. Small Business Investment Tax Credit

(Retain details of eligible investment calculation and, if claiming an investment in CSBIF, retain the original letter approving the credit issued in accordance with the Community Small Business Investment Fund Act. Do not submit with this tax return.)

Allowable Credit for Eligible Investments - - -

DOLLARS ONLY

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

Net Income (loss) for federal income tax purposes, per federal T2 Schedule 1 ± 600 8,622,313
Transfer to Page 15

Add:

Federal capital cost allowance	+ 601	5,960,413
Federal cumulative eligible capital deduction	+ 602	
Ontario taxable capital gain	+ 603	
Federal non-allowable reserves. Balance beginning of year	+ 604	3,141,233
Federal allowable reserves. Balance end of year	+ 605	
Ontario non-allowable reserves. Balance end of year	+ 606	3,230,843
Ontario allowable reserves. Balance beginning of year	+ 607	
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	+ 608	
Federal resource allowance *(Refer to Guide)*	+ 609	
Federal depletion allowance	+ 610	
Federal foreign exploration and development expenses	+ 611	
All Crown charges, royalties, rentals, etc. deducted for Federal purposes *(Refer to Guide)*	+ 617	

Management fees, rents, royalties and similar payments to non-arms' length non-residents ▼

Number of Days in Taxation Year

612 _____ x 5 / 12.5 x (Days after Dec. 31, 2002 and before Jan. 1, 2004: 33 _____ ÷ Total Days: 73 365) =+ 633 _____

612 _____ x 5 / 14 x (Days after Dec. 31, 2003: 34 365 ÷ Total Days: 73 365) =+ 634 _____

Total add-back amount for Management fees, etc. 633 + 634 = _____ + 613 _____

Federal Scientific Research Expenses claimed in year from line 460 of fed. form T661 excluding any negative amount in 473 from Ont. CT23 Schedule 161 + 615 _____

Add any negative amount in 473 from Ont. CT23 Schedule 161 + 616 _____

Federal allowable business investment loss + 620 _____

Total of other items not allowed by Ontario but allowed federally *(Attach schedule)* + 614 _____

Total of Additions 601 to 611 + 617 + 613 + 615 + 616 + 620 + 614 = 12,332,489 ▶ 640 12,332,489
Transfer to Page 15

Deduct:

Ontario capital cost allowance (excludes amounts deducted under 675)	+ 650	5,960,413
Ontario cumulative eligible capital deduction	+ 651	
Federal taxable capital gain	+ 652	
Ontario non-allowable reserves. Balance beginning of year	+ 653	3,141,233
Ontario allowable reserves. Balance end of year	+ 654	
Federal non-allowable reserves. Balance end of year	+ 655	3,230,843
Federal allowable reserves. Balance beginning of year	+ 656	
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) *(Retain calculations. Do not submit.)*	+ 657	
Ontario depletion allowance	+ 658	
Ontario resource allowance *(Refer to Guide)*	+ 659	
Ontario current cost adjustment *(Attach schedule)*	+ 661	
CCA on assets used to generate electricity from natural gas, alternative or renewable resources.	+ 675	

Subtotal of deductions for this page 650 to 659 + 661 + 675 681 12,332,489
Transfer to Page 15

continued on Page 15

Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

continued from Page 14

Net Income (loss) for federal income tax purposes, per federal Schedule 1 - - - - - - - - - - - - - - - - From ± 600 8,622,313 .

Total of Additions on page 14 - From = 640 12,332,489 .

Sub Total of deductions on page 14 - - - - - - - - - - - - - - - - - - - From = 681 12,332,489 .

Deduct:

Ontario New Technology Tax Incentive (ONTTI) Gross-up
(***Applies*** only to those corporations whose Ontario allocation is less than 100% in the current taxation year.)

Capital Cost Allowance (Ontario) (CCA) on prescribed qualifying intellectual property deducted in the current taxation year - - - 662 .

ONTTI Gross-up deduction calculation:

Gross-up of CCA

[From 662 . x 100 / From 30 100.0000 Ontario Allocation] − From 662 . = 663 .

Workplace Child Care Tax Incentive (WCCT)
(***Applies*** to eligible expenditures incurred prior to January 1, 2005.)

Qualifying expenditures: [665 . x 30 % x 100 / From 30 100.0000 Ontario allocation] = 666 .

Workplace Accessibility Tax Incentive (WATI)
(***Applies*** to eligible expenditures incurred prior to January 1, 2005.)

Qualifying expenditures: [667 . x 100 % x 100 / From 30 100.0000 Ontario allocation] = 668 .

Number of Employees accommodated 669

Ontario School Bus Safety Tax Incentive (OSBSTI)
(***Applies*** to the eligible acquisition of school buses purchased after May 4, 1999 and before January 1, 2006.) *(Refer to Guide)*

Qualifying expenditures: [670 . x 30 % x 100 / From 30 100.0000 Ontario allocation] = 671 .

Educational Technology Tax Incentive (ETTI)
(***Applies*** to eligible expenditures incurred prior to January 1, 2005.)

Qualifying expenditures: [672 . x 15 % x 100 / From 30 100.0000 Ontario allocation] = 673 .

Ontario allowable business investment loss - - - - - - - - - - - - - - - + 678 .

Ontario Scientific Research Expenses claimed in year in 477 **from Ont. CT23 Schedule 161** + 679 .

Amount added to income federally for an amount that was negative on federal form T661, line 454 or 455 (if filed after June 30, 2003) - - - - - - - - - + 677 .

Total of other deductions allowed by Ontario *(Attach schedule)* - - - - - - - - + 664 .

Total of Deductions 681 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 677 + 664 = 12,332,489 . ▶ 680 12,332,489 .

Net income (loss) for Ontario Purposes 600 + 640 − 680 - - - - - - - - - - - - - - - - - = 690 8,622,313 .
Transfer to Page 4

Continuity of Losses Carried Forward

DOLLARS ONLY

	Non-Capital Losses (1)	Total Capital Losses	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
Balance at Beginning of Year	700 (2)	710 (2)	720 (2)	730	740	750
Add: Current year's losses (7)	701	711	721	731	741	751
Losses from predecessor corporations (3)	702	712	722	732		752
Subtotal	703	713	723	733	743	753
Subtract: Utilized during the year to reduce taxable income	704 (2)	715 (2) (4)	724 (2)	734 (2) (4)	744 (4)	754 (4)
Expired during the year	705		725	735	745	
Carried back to prior years to reduce taxable income (5)	706 (2) to Page 17	716 (2) to Page 17	726 (2) to Page 17	736 (2) to Page 17	746	
Subtotal	707	717	727	737	747	757
Balance at End of Year	709 (8)	719	729	739	749	759

Analysis of Balance at End of Year by Year of Origin

Year of Origin (oldest year first) year month day	Non-Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only	Farm Losses	Restricted Farm Losses
800 9th preceding taxation year 1996-12-31	817 (9)	860 (9)		850	870
801 8th preceding taxation year 1997-12-31	818 (9)	861 (9)		851	871
802 7th preceding taxation year 1998-12-31	819 (9)	862 (9)		852	872
803 6th preceding taxation year 1999-12-31	820	830	840	853	873
804 5th preceding taxation year 2000-12-31	821	831	841	854	874
805 4th preceding taxation year 2001-12-31	822	832	842	855	875
806 3rd preceding taxation year 2002-12-31	823	833	843	856	876
807 2nd preceding taxation year 2003-12-31	824	834	844	857	877
808 1st preceding taxation year 2004-12-31	825	835	845	858	878
809 Current taxation year 2005-12-31	826	836	846	859	879
Total	829	839	849	869	889

Notes:

(1) Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.

(2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5), as made applicable by s.34.

(3) Includes losses on amalgamation (fed.s.87(2.1) and s.87(2.11)) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.

(4) To the extent of applicable gains/income/at-risk amount only.

(5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.

(6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.

(7) Include amount from 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.

(8) Amount in 709 must equal total of 829 + 839.

(9) Include non-capital losses incurred in taxation years ending after March 22, 2004.

Request for Loss Carry-Back (s.80(16))

Applies to corporations requesting a reassessment of the return of one or more previous taxation years under s.80(16) with respect to one or more types of losses carried back.

- If, after applying a loss carry-back to one or more previous years, there is a balance of loss available to carry forward to a future year, it is the corporation's responsibility to claim such a balance for those years following the year of loss within the limitations of fed.s.111, as made applicable by s.34.
- Where control of a corporation has been acquired by a person or group of persons, certain restrictions apply to the carry-forward and carry-back provisions of losses under fed.s.111(4) through 111(5.5), as made applicable by s.34.
- Refunds arising from the loss carry-back adjustment may be applied by the Minister of Finance to amounts owing under any **Act administered by the Ministry of Finance.**
- Any late filing penalty applicable to the return for which the loss is being applied will not be reduced by the loss carry-back.
- The application of a loss carry-back will be available for interest calculation purposes on the day that is the latest of the following:
  1) the first day of the taxation year after the loss year,
  2) the day on which the corporation's return for the loss year is delivered to the Minister, or
  3) the day on which the Minister receives a request in writing from the corporation to reassess the particular taxation year to take into account the deduction of the loss.
- If a loss is being carried back to a **predecessor corporation**, enter the predecessor corporation's account number and taxation year end in the spaces provided under Application of Losses below.

Application of Losses

	Predecessor Ontario Corporation's Tax Account No. (MOF)	Taxation Year Ending year month day	Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
Total amount of loss			910	920	930	940
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income						
i) 3rd preceding	901	2002-12-31	911	921	931	941
ii) 2nd preceding	902	2003-12-31	912	922	932	942
iii) 1st preceding	903	2004-12-31	913	923	933	943
Total loss to be carried back			From 706	From 716	From 726	From 736
Balance of loss available for carry-forward			919	929	939	949

Summary

Income Tax	+ From 230 or 320		1,186,562
Corporate Minimum Tax	+ From 280		
Capital Tax	+ From 550		324,890
Premium Tax	+ From 590		
Total Tax Payable	=	950	1,511,452
Subtract: Payments	–	960	2,126,970
Capital Gains Refund (s.48)	–	965	
Qualifying Environmental Trust Tax Credit *(Refer to Guide)*	–	985	
Specified Tax Credits *(Refer to Guide)*	–	955	
Other, specify	–		
Balance	=	970	-615,518
If payment due	Enclosed *	990	
If overpayment: Refund *(Refer to Guide)*	=	975	615,518
Apply to (year month day)		980	*(Includes credit interest)*

* Make your cheque (drawn on a Canadian financial institution) or a money order in Canadian funds, payable to the **Minister of Finance** and print your Ontario Corporation's Tax Account No. (MOF) on the back of cheque or money order. *(Refer to Guide for other payment methods.)*

Certification

I am an authorized signing officer of the corporation. I certify that this CT23 return, including all schedules and statements filed with or as part of this CT23 return, has been examined by me and is a true, correct and complete return and that the information is in agreement with the books and records of the corporation. I further certify that the financial statements accurately reflect the financial position and operating results of the corporation as required under section 75 of the *Corporations Tax Act*. The method of computing income for this taxation year is consistent with that of the previous year, except as specifically disclosed in a statement attached.

Name *(please print)*

Albert Singh

Title

VP Finance & CEO

Full Residence Address

Signature	Date
	2006-06-15

Note: Section 76 of the *Corporations Tax Act* provides penalties for making false or misleading statements or omissions.

Attached Schedule with Total

Other reserves not allowed as deductions for income tax purposes (Attach schedule) (Int.B. 3012R)

Title Other reserves not allowed as deductions for income tax purposes (Attach

Description	Amount
NBV	-84,608,533 00
less land	1,790,435 00
UCC	98,827,935 00
Total	16,009,837 00

Corporate Minimum Tax (CMT)
CT23 Schedule 101

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Waterloo North Hydro Inc.	1800212	2005-12-31

Part 1: Calculation of CMT Base

Banks – Net income/loss as per report accepted by Superintendent of Financial Institutions (SFI) under the Bank Act (Canada), adjusted so consolidation/equity methods are not used.

Life insurance corporations – Net income/loss before Special Additional Tax as determined under s.57.1(2)(c) or (d)

Net Income/Loss (unconsolidated, determined in accordance with GAAP)			±	2100	5,053,752
Subtract (to the extent reflected in net income/loss):					
Provision for recovery of income taxes / benefit of current income taxes			+	2101	
Provision for deferred income taxes (credits) / benefit of future income taxes			+	2102	
Equity income from corporations			+	2103	
Share of partnership(s)/joint venture(s) income			+	2104	
Dividends received/receivable deductible under fed.s.112			+	2105	
Dividends received/receivable deductible under fed.s.113			+	2106	
Dividends received/receivable deductible under fed.s.83(2)			+	2107	
Dividends received/receivable deductible under fed.s.138(6)			+	2108	
Federal Part VI.1 tax paid on dividends declared and paid, under fed.s.191.1(1)		x 3	+	2109	
Subtotal			=		▶ – 2110
Add (to extent reflected in net income/loss):					
Provision for current taxes / cost of current income taxes			+	2111	3,088,616
Provision for deferred income taxes (debits) / cost of future income taxes			+	2112	
Equity losses from corporations			+	2113	
Share of partnership(s)/joint venture(s) losses			+	2114	
Dividends that have been deducted to arrive at net income per Financial Statements s.57.4(1.1) (excluding dividends under fed.s.137(4.1))			+	2115	
Subtotal			=		3,088,616 ▶ + 2116 3,088,616
Add/Subtract:					
Amounts relating to s.57.9 election/regulations for disposals etc. of property for current/prior years					
** Fed.s.85			+	2117	or – 2118
** Fed.s.85.1			+	2119	or – 2120
** Fed.s.97			+	2121	or – 2122
** Amounts relating to amalgamations (fed.s.87) as prescribed in regulations for current/prior years			+	2123	or – 2124
** Amounts relating to wind-ups (fed.s.88) as prescribed in regulations for current/prior years			+	2125	or – 2126
** Amounts relating to s.57.10 election/ regulations for replacement re fed.s13(4), 14(6) and 44 for current/prior years			+	2127	or – 2128
Interest allowable under ss.20(1)(c) or (d) of ITA to the extent not otherwise deducted in determining CMT adjusted net income			–	2150	
Subtotal (Additions)		=			▶ + 2129
Subtotal (Subtractions)		=			▶ – 2130
** Other adjustments					± 2131
Subtotal	± 2100 – 2110 + 2116 + 2129 – 2130 ± 2131				= 2132 8,142,368
** Share of partnership(s)/joint venture(s) **adjusted** net income/loss					± 2133
Adjusted net income (loss) (if loss, transfer to 2202 in *Part 2: Continuity of CMT Losses Carried Forward.*)					= 2134 8,142,368
Deduct: * CMT losses: pre-1994 Loss			+ From	2210	
* CMT losses: other eligible losses			+	2211	
			=		▶ – 2135
* CMT losses applied cannot exceed adjusted net income or increase a loss					
** *Retain calculations. Do not submit with this schedule.*					
CMT Base					= 2136 8,142,368

Transfer to CMT Base on Page 8 of the CT23 or Page 6 of the CT8

Corporate Minimum Tax (CMT)

CT23 Schedule 101

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Waterloo North Hydro Inc.	1800212	2005-12-31

Part 2: Continuity of CMT Losses Carried Forward

Balance at Beginning of year NOTES (1), (2)				+ 2201	
Add: Current year's losses		+ 2202			
Losses from predecessor corporations on amalgamation NOTE (3)		+ 2203			
Losses from predecessor corporations on wind-up NOTE (3)		+ 2204			
Amalgamation (X) 2205 ☐ Yes Wind-up (X) 2206 ☐ Yes					
Subtotal	=		▶	+ 2207	
Adjustments (attach schedule)				± 2208	
CMT losses available 2201 + 2207 ± 2208				= 2209	
Subtract: Pre-1994 loss utilized during the year to reduce adjusted net income		+ 2210			
Other eligible losses utilized during the year to reduce adjusted net income NOTE (4)		+ 2211			
Losses expired during the year		+ 2212			
Subtotal	=		▶	– 2213	
Balances at End of Year NOTE (5) 2209 – 2213				= 2214	

Notes:

(1) Pre-1994 CMT loss (see s.57.1(1)) should be included in the balance at beginning of the year. Attach schedule showing computation of pre-1994 CMT loss.

(2) Where acquisition of control of the corporation has occured, the utilization of CMT losses can be restricted. (see s.57.5(3) and a 57.5(7))

(3) Include and indicate whether CMT losses are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.57.5(8) and s.57.5(9))

(4) CMT losses must be used to the extent of the lesser of the adjusted net income 2134 and CMT losses available 2209.

(5) Amount in 2214 must equal sum of 2270 + 2290.

Part 3: Analysis of CMT Losses Year End Balance by Year of Origin

For a pre-1994 loss, use the date of the last taxation year end before your corporation's first taxation year commencing after 1993.

	Year of Origin (oldest year first) year month day	CMT Losses of Corporation	CMT Losses of Predecessor Corporations
2240	9th preceding taxation year 1996-12-31	2260	2280
2241	8th preceding taxation year 1997-12-31	2261	2281
2242	7th preceding taxation year 1998-12-31	2262	2282
2243	6th preceding taxation year 1999-12-31	2263	2283
2244	5th preceding taxation year 2000-12-31	2264	2284
2245	4th preceding taxation year 2001-12-31	2265	2285
2246	3rd preceding taxation year 2002-12-31	2266	2286
2247	2nd preceding taxation year 2003-12-31	2267	2287
2248	1st preceding taxation year 2004-12-31	2268	2288
2249	Current taxation year 2005-12-31	2269	2289
Totals		2270	2290

The sum of amounts 2270 + 2290 ***must equal amount in*** 2214.

Corporate Minimum Tax (CMT)
CT23 Schedule 101

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Waterloo North Hydro Inc.	1800212	2005-12-31

Part 4: Continuity of CMT Credit Carryovers

Balance at Beginning of year NOTE (1) . . . . . + 2301

Add: Current year's CMT Credit (280 on page 8 of the CT23 or 347 on page 6 of the CT8. If negative, enter NIL) + From 280 or 347

Gross Special Additional Tax NOTE (2) 312 on page 5 of CT8. (Life Insurance corporations only. Others enter NIL.) . . . . . + From 312

Subtract Income Tax (190 on page 6 of the CT23 or page 4 of the CT8) . . . . . – From 190

Subtotal (If negative, enter NIL) . . . = ▶ – 2305

Current year's CMT credit (If negative, enter NIL) 280 or 347 – 2305 . . . = ▶ + 2310

CMT Credit Carryovers from predecessor corporations NOTE (3) . . . . . + 2325

Amalgamation (X) 2315 ☐ Yes Wind-up (X) 2320 ☐ Yes

Subtotal 2301 + 2310 + 2325 . . . . . = 2330

Adjustments *(Attach schedule)* . . . . . ± 2332

CMT Credit Carryover available 2330 ± 2332 . . . . . = 2333

Transfer to Page 8 of the CT23 or Page 6 of the CT8

Subtract: CMT Credit utilized during the year to reduce income tax (310 on page 8 of the CT23 or 351 on page 6 of the CT8.) + From 310 or 351

CMT Credit expired during the year . . . . . + 2334

Subtotal . . . . . = ▶ – 2335

Balances at End of Year NOTE (4) 2333 – 2335 . . . . . = 2336

Notes:

(1) Where acquisition of control of the corporation has occurred, the utilization of CMT credits can be restricted. (see s.43.1(5))

(2) The CMT credit of life insurance corporations can be restricted (see s.43.1(3)(b)).

(3) Include and indicate whether CMT credits are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.43.1(4))

(4) Amount in 2336 must equal sum of 2370 + 2390.

Part 5: Analysis of CMT Credit Carryovers Year End Balance by Year of Origin

	Year of Origin (oldest year first) year month day	CMT Credit Carryovers of Corporation	CMT Credit Carryovers of Predecessor Corporation(s)
2340	9th preceding taxation year 1996-12-31	2360	2380
2341	8th preceding taxation year 1997-12-31	2361	2381
2342	7th preceding taxation year 1998-12-31	2362	2382
2343	6th preceding taxation year 1999-12-31	2363	2383
2344	5th preceding taxation year 2000-12-31	2364	2384
2345	4th preceding taxation year 2001-12-31	2365	2385
2346	3rd preceding taxation year 2002-12-31	2366	2386
2347	2nd preceding taxation year 2003-12-31	2367	2387
2348	1st preceding taxation year 2004-12-31	2368	2388
2349	Current taxation year 2005-12-31	2369	2389
Totals		2370	2390

The sum of amounts 2370 + 2390 ***must equal amount in*** 2336.

Corporate Minimum Tax (CMT)
CT23 Schedule 101 – Supporting Schedule

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Waterloo North Hydro Inc.	1800212	2005-12-31

CMT Losses Carried Forward Workchart

(i) Continuity of Pre-1994 CMT Losses

	Corporation's Pre-1994 Loss	Predecessors' Pre-1994 Loss Amalgamation	Predecessors' Pre-1994 Loss Wind-Up
Date of the last tax year end before the corp's 1st tax year commencing after 1993			
Pre-1994 Loss (per schedule)			
Less: Claimed in prior taxation years commencing after 1993			
Pre-1994 Loss available for the current year			
Less: Deducted in the current year (max. = adj. net income for the year)			
Expired after 10 years			
Pre-1994 Loss Carryforward			

(ii) Continuity of Other Eligible CMT Losses – Filing Corporation (for losses occurring in tax years commencing after 1993)

	Year of Origin YYYY/MM/DD	Opening Balance	Adjustment	Deduction	Expired	Closing Balance
10th Prior Year	1995-12-31					
9th Prior Year	1996-12-31					
8th Prior Year	1997-12-31					
7th Prior Year	1998-12-31					
6th Prior Year	1999-12-31					
5th Prior Year	2000-12-31					
4th Prior Year	2001-12-31					
3rd Prior Year	2002-12-31					
2nd Prior Year	2003-12-31					
1st Prior Year	2004-12-31					
	Total					

Predecessor Corporations Only – Amalgamation

Indicate the amounts of eligible CMT losses from predecessor corporations. **Do not include** these amounts in the 'opening balance' of the Filing Corporation.

Year of Origin YYYY/MM/DD	Opening Balance	Add	Adjustment	Deduction	Expired	Closing Balance
1995-12-31						
1996-12-31						
1997-12-31						
1998-12-31						
1999-12-31						
2000-12-31						
2001-12-31						
2002-12-31						
2003-12-31						
2004-12-31						
Total						

Corporate Minimum Tax (CMT)
CT23 Schedule 101 – Supporting Schedule

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Waterloo North Hydro Inc.	1800212	2005-12-31

CMT Losses Carried Forward Workchart (continued)

Predecessor Corporations Only – Wind-Up

Indicate the amounts of eligible CMT losses from predecessor corporations. **Do not include** these amounts in the 'opening balance' of the Filing Corporation.

Year of Origin YYYY/MM/DD	Opening Balance	Add	Adjustment	Deduction	Expired	Closing Balance
1995-12-31						
1996-12-31						
1997-12-31						
1998-12-31						
1999-12-31						
2000-12-31						
2001-12-31						
2002-12-31						
2003-12-31						
2004-12-31						
Total						

Corporate Minimum Tax (CMT)
CT23 Schedule 101 – Supporting Schedule

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Waterloo North Hydro Inc.	1800212	2005-12-31

CMT Credit Carryovers Workchart

Filing Corporation

	Year of Origin YYYY/MM/DD	Opening Balance	Adjustment	Deduction	Expired	Closing Balance
10th Prior Year	1995-12-31					
9th Prior Year	1996-12-31					
8th Prior Year	1997-12-31					
7th Prior Year	1998-12-31					
6th Prior Year	1999-12-31					
5th Prior Year	2000-12-31					
4th Prior Year	2001-12-31					
3rd Prior Year	2002-12-31					
2nd Prior Year	2003-12-31					
1st Prior Year	2004-12-31					
	Total					

Predecessor Corporations Only – Amalgamation

Indicate the amounts of CMT credit carryovers from predecessor corporations. **Do not include** these amounts in the 'opening balance' of the Filing Corporation.

Year of Origin YYYY/MM/DD	Opening Balance	Add	Adjustment	Deduction	Expired	Closing Balance
1995-12-31						
1996-12-31						
1997-12-31						
1998-12-31						
1999-12-31						
2000-12-31						
2001-12-31						
2002-12-31						
2003-12-31						
2004-12-31						
Total						

Predecessor Corporations Only – Wind-Up

Indicate the amounts of CMT credit carryovers from predecessor corporations. **Do not include** these amounts in the 'opening balance' of the Filing Corporation.

Year of Origin YYYY/MM/DD	Opening Balance	Add	Adjustment	Deduction	Expired	Closing Balance
1995-12-31						
1996-12-31						
1997-12-31						
1998-12-31						
1999-12-31						
2000-12-31						
2001-12-31						
2002-12-31						
2003-12-31						
2004-12-31						
Total						

Ontario

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

Paid-Up Capital: Loans and Advances

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Waterloo North Hydro Inc.	1800212	2005-12-31

Loans or Advances Credited or Advanced to Corporation
(includes accounts payable to related parties outstanding at the taxation year end for 120 days or more, and accounts payable to non-related parties outstanding for 365 days or more at the taxation year end)

CUSTOMER DEPOSITS - CURRENT	+	997,852
CUSTOMER DEPOSITS - LONG-TERM	+	1,375,106
LONG-TERM DEBT	+	40,402,432
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
	+	
Total *Transfer to* 353 *of the CT23*	=	42,775,390

Ontario

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

Ontario Capital Cost Allowance
Schedule 8

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Waterloo North Hydro Inc.	1800212	2005-12-31

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

1 Class number	2 Ontario undepreciated capital cost at the beginning of the year (undepreciated capital cost at the end of the prior year's CCA schedule)	3 Cost of acquisitions during the year (new property must be available for use) See note 1 below	4 Net adjustments (show negative amounts in brackets)	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	6 Ontario undepreciated capital cost (column 2 plus column 3 or minus column 4 minus column 5)	7 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5) See note 2 below	8 Reduced undepreciated capital cost (column 6 minus column 7)	9 CCA rate %	10 Recapture of capital cost allowance	11 Terminal loss	12 Ontario capital cost allowance (column 8 multiplied by column 9; or a lower amount)	13 Ontario undepreciated capital cost at the end of the year (column 6 minus column 12)
1	90,853,074	5,064,607		61,798	95,855,883	2,501,405	93,354,478	4	0	0	3,734,179	92,121,704
8	4,198,781	1,132,735		0	5,331,516	566,368	4,765,148	20	0	0	953,030	4,378,486
10	2,450,226	422,328		5,000	2,867,554	208,664	2,658,890	30	0	0	797,667	2,069,887
12	217,680	515,715		0	733,395	257,858	475,537	100	0	0	475,537	257,858
Totals	97,719,761	7,135,385		66,798	104,788,348	3,534,295	101,254,053				5,960,413	98,827,935

Enter in boxes 650 . . . . 650 . . . . 650 on the CT23.

Note 1. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule. See Regulation 1100(2) and (2.2) of the *Income Tax Act* (Canada).

Note 2. The net cost of acquisitions is the cost of acquisitions plus or minus certain adjustments from column 4.

Note 3. If the taxation year is shorter than 365 days, prorate the CCA claim.

Note 4. Ontario recapture should be included in net income after deducting the federal recapture and the Ontario terminal loss is deducted from net income after including the federal terminal loss.

Ontario

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

Ontario Continuity of Reserves
Schedule 13

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Waterloo North Hydro Inc.	1800212	2005-12-31

For use by a corporation to provide a continuity of all reserves claimed which are allowed for tax purposes.

Part 1 – Capital gains reserves

	Description of property	Ontario balance at the beginning of the year $	Transfer on amalgamation or wind-up of subsidiary $	Add	Deduct	Ontario balance at the end of the year $
1						
	Totals	A	B			C

The total capital gains reserve at the beginning of the taxation year **A** plus the total capital gains reserve transfer on amalgamation or wind-up of subsidiary **B**, should be entered on Schedule 6; and the total capital gains reserve at the end of the taxation year **C**, should also be entered on Schedule 6.

Part 2 – Other reserves

Description	Ontario balance at the beginning of the year $	Transfer on amalgamation or wind-up of subsidiary $	Add	Deduct	Ontario balance at the end of the year $
Reserve for doubtful debts					
Reserve for undelivered goods and services not rendered					
Reserve for prepaid rent					
Reserve for December 31, 1995 income					
Reserve for refundable containers					
Reserve for unpaid amounts					
Other tax reserves					
Totals	D	E			F

The amount from **D** plus the amount from **E** should be entered in [607] of the CT23.

The amount from **F** should be entered in [654] of the CT23.

Part 3 – Continuity of non-deductible reserves

Reserve	Ontario opening balance	Transfers	Ontario additions	Ontario deductions	Other adjustments	Ontario closing balance
VESTED SICK LEAVE	204,984		183,705	204,984		183,705
POST EMPLOYMENT BENEFITS	2,832,249		2,943,138	2,832,249		2,943,138
ALLOWANCE FOR DOUBTFUL ACCTS	104,000					104,000
Reserves from Part 2						
Totals	3,141,233		3,126,843	3,037,233		3,230,843

Enter in box [653] of the CT23

Enter in box [606] of the CT23

Ontario

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

2005 Capital Tax Election of Associated Group Agreement for Allocation of Taxable Capital Deduction (TCD)

CT23 SCHEDULE 591

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Waterloo North Hydro Inc.	1800212	2005-12-31

The following associated group of corporations includes all the corporations in this associated group (excluding financial institutions and corporations exempt from capital tax) having a permanent establishment in Canada and are hereby making an election under subsection 69(2.1) of the *Corporation Tax Act* to allocate the tax effect of the group's taxable capital deduction (TCD) as calculated in section B on page 10 of the CT23 for all taxation years which end in the 2005 calendar year, based on each corporation's total assets and Ontario allocation factor from each corporation's last taxation year ending in the 2004 calendar year.

Applies to taxation years ending in the 2005 calendar year.

Corporation having a permanent establishment in Canada	Last taxation year ending in 2004 calendar year	Ontario Allocation A	Total Assets T	Net Deduction A x [TE x (T+X)] ND	Allocation of Net Deduction AND
Corporation Tax Account Number (if applicable)	YEAR MONTH DAY				995
1800212	2004-12-31	100.0000	119,538,846	12,994	22,498
Corporation Name: Waterloo North Hydro Inc.					
Tax Effect (TE) of Taxable Capital Deduction: TCD From CT23, Page 10, Section B 503 — 7,500,000 X 0.3 % = TE 22,500					
Corporation Tax Account Number (if applicable)	YEAR MONTH DAY				995
1800211	2004-12-31	100.0000	87,456,927	9,506	2
Corporation Name: WATERLOO NORTH HYDRO HOLDING					
Tax Effect (TE) of Taxable Capital Deduction: TCD From CT23, Page 10, Section B 503 — 7,500,000 X 0.3 % = TE 22,500					
Corporation Tax Account Number (if applicable)	YEAR MONTH DAY				995
Corporation Name					
Tax Effect (TE) of Taxable Capital Deduction: TCD From CT23, Page 10, Section B 503 — X % = TE					
Corporation Tax Account Number (if applicable)	YEAR MONTH DAY				995
Corporation Name					
Tax Effect (TE) of Taxable Capital Deduction: TCD From CT23, Page 10, Section B 503 — X % = TE					
Corporation Tax Account Number (if applicable)	YEAR MONTH DAY				995
Corporation Name					
Tax Effect (TE) of Taxable Capital Deduction: TCD From CT23, Page 10, Section B 503 — X % = TE					

if insufficient space, attach list.

Total Assets of Associated Group having permanent establishments in Canada X 206,995,773 959

Total Net Deductions of Associated Group having permanent establishments in Canada . . . **TND** 22,500 994

Total Allocated Net Deductions of Associated Group having permanent establishments in Canada . . . . . **TAND** 22,500

Ontario

Ministry of Finance
Corporations Tax
33 King Street 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 Corporations Tax Account No. (MOF)	Taxation Year End
Waterloo North Hydro Inc.	1800212	2005-12-31

Part 1 Client Information

Legal Name: Waterloo North Hydro Inc.
Phone number: (519) 886-5090

Mailing address
Apt./Suite/Unit no. Street number and name / PO Box, RR: 300 Northfield Drive East Box 640
City: Waterloo
Province/Territory: ON
Postal code: N2J 4A3

This authorization applies to the following statute(s) and account number(s).

- [X] Corporations Tax Act — 1800212
- [ ] Mining Tax Act
- [ ] Electricity Act

Part 2 Authorize the release of information to a representative

Name of representative (If a firm, name of firm.)
Last: KPMG LLP
First:
Phone number: (519) 747-8800
Fax number: (519) 747-8890

Mailing address
Apt./Suite/Unit no. Street number and name / PO Box, RR: 20 ERB STREET WEST 3RD FLOOR
City: WATERLOO
Province/Territory: ON
Postal code: N2L 1T2

If your representative is a firm, and you want a specific person in the firm to represent you, state their name and title.
If you do not identify a specific individual in the firm, you are authorizing the Ministry of Finance to deal with anyone from that firm.

Name of person in firm
Last:
First:
Title:

Part 3 Authorization scope and applicable years

- [X] Representative to **deal fully** on your behalf with the Ministry of Finance.

or

- [ ] Representative to **deal in a limited manner** on your behalf, for matters specified here. (e.g., account inquiry, applications, annual returns, payments, etc.) ▼

- [X] Representative to act for **all years**, including all previous and future years.

or

- [ ] Representative to act for **specific year or years** (describe). ▼

Part 4 Cancel the release of information to a representative

Name of representative (If a firm, name of firm.)
Last:
First:

If your representative is an individual within a firm, state their name and title.
Name of person in firm
Last:
First:
Title:

Part 5 Signature *This form will not be accepted unless it is completed fully, signed and dated.*

authorize the Ministry of Finance to:

- release confidential information about the tax accounts specified in Part 1 and to deal with the representative named in Part 2 in the manner described in Part 3; and/or
- cancel an existing authorization as described in Part 4.

Name
Last: Albert Singh
First:
Title / Relationship to Corporation: VP Finance & CEO
Phone number: (519) 886-5090

Signature:
Date: 2006-06-15

Attachment S

Notice of Assessment

Detach and return this REMITTANCE FORM with your payment.

Ontario

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

Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Account No.
1800212

35
PX5003

WATERLOO NORTH HYDRO INC.
DUC LE
300 NORTHFIELD DR E
PO BOX 640
WATERLOO ON
N2J 4A3

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2001123 1

Payment Amount: $

Total Payment Enclosed: $

Ontario

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

Keep this portion for your records.

Notice of Assessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2001/10/01 to 2001/12/31

	Account No.	Assessment Date (year, month, day)	Page
WATERLOO NORTH HYDRO INC.	1800212	2002/10/04	1 of 1

ASSESSMENT NO. 9

Tax: Federal and Provincial PIL		120,130.00
Assessment Interest		212.19CR
Total Assessment Liability		119,917.81

SUMMARY OF 2001/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	120,130.00CR	
Sub-Total		120,130.00CR
CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR		212.19CR

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Tax Assessment as per Company Estimate.

Tax (Re)Assessment Enquiries:
- Toronto (416) 730-5585
- FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:
- Oshawa and Local (905) 433-6708
- Toronto (416) 920-9048 ext. 3036
- Toll-Free 1-800-262-0784 ext. 3036
- FAX (905) 433-5197

02 PX5003

Detach and return this REMITTANCE FORM with your payment.

Ontario

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

Account No.
1800212

35
PX5003

WATERLOO NORTH HYDRO INC.
ALBERT P SINGH
300 NORTHFIELD DR E
PO BOX 640
WATERLOO ON
N2J 4A3

Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2 0 0 2 1 2 3 1

Payment Amount: $

Total Payment Enclosed: $

Ontario

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

Keep this portion for your records.

Notice of Assessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2002/01/01 to 2002/12/31

Account No.	Assessment Date (year, month, day)	Page
1800212	2003/09/02	1 of 1

WATERLOO NORTH HYDRO INC.

ASSESSMENT NO. 22

Tax: Federal and Provincial PIL		1,316,393.00
Assessment Interest		24,371.59CR
Total Assessment Liability		1,292,021.41

SUMMARY OF 2002/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	2,637,155.25CR	
Sub-Total		2,637,155.25CR
CREDIT BALANCE AVAILABLE IN THIS TAXATION YEAR		1,345,133.84CR

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Total tax assessed as per company estimate

Detach and return this REMITTANCE FORM with your payment.

Ontario

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

Remittance Advice - Payment-in-Lieu (PIL)

Electricity Act, 1998
Corporations Tax Act, R.S.O. 1990

Account No.
1800212

35
PX5003

WATERLOO NORTH HYDRO INC.
ALBERT P SINGH
300 NORTHFIELD DR E
PO BOX 640
WATERLOO ON
N2J 4A3

Taxation Year End: (YYYYMMDD)

Payment Amount: $

Taxation Year End: (YYYYMMDD) 2003 12 31

Payment Amount: $

Total Payment Enclosed: $

Ontario

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

Keep this portion for your records.

Notice of Assessment

Electricity Act, 1998 • Corporations Tax Act, R.S.O. 1990
from 2003/01/01 to 2003/12/31

	Account No.	Assessment Date (year, month, day)	Page
WATERLOO NORTH HYDRO INC.	**1800212**	2004/08/24	1 of 1

ASSESSMENT NO. 36

Tax: Federal and Provincial PIL	2,010,713.00
Assessment Interest	21,745.03
Total Assessment Liability	2,032,458.03

SUMMARY OF 2003/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	2,010,713.00CR	
Sub-Total		2,010,713.00CR
TAXATION YEAR BALANCE DUE **		21,745.03

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Total tax assessed as per company estimate

**Remember to include additional interest due with your payment. Interest on the balance is compounded daily from the date of this Notice/Statement until payment is received by the Ontario Electricity Financial Corporation (OEFC) The current interest rate is 0.0191780%.

Tax (Re)Assessment Enquiries:
- Toronto (416) 730-5585
- FAX (416) 730-5593

Account Billing Enquiries & Change of Address Information:
- Oshawa and Local (905) 433-6708
- Toll-Free 1-800-262-0784 ext. 3036
- Toronto (416) 920-9048 ext. 3036
- FAX (905) 433-5197

002 PX5003

Ontario

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

Keep this portion for your records.

Notice of Assessment

Electricity Act, 1998 • Corporations Tax Act, R S O 1990

from 2004/01/01 to 2004/12/31

	Account No.	Assessment Date (year, month, day)	Page
WATERLOO NORTH HYDRO INC.	1800212	2005/10/31	1 of 1

ASSESSMENT NO. 60

Tax: Federal and Provincial PIL	2,267,722.00
Assessment Interest	4,605.36
Total Assessment Liability	2,272,327.36

SUMMARY OF 2004/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers	2,267,722.00CR	
Sub-Total		2,267,722.00CR
TAXATION YEAR BALANCE DUE **		4,605.36

In accordance with s.s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Total tax assessed as per company estimate

**Remember to include additional interest due with your payment. Interest on the balance is compounded daily from the date of this Notice/Statement until payment is received by the Ontario Electricity Financial Corporation (OEFC) The current interest rate is 0.0191780%.

DATE REC'D. 7-3
REG. NO.
P.O. NO.
REC'D. BY
EXT. O.K.
PRICE O.K.

x (Re)Assessment Enquiries:
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• FAX (905) 433-5197

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Attachment T

2001
SIMPIL Model
(Revised)

PILs TAXES - EB-2010-				**Version 2009.1**
REGULATORY INFORMATION (REGINFO)				
Utility Name: Waterloo North Hydro Inc.			Colour Code	
Reporting period: 2001			**Input Cell**	
			Formula in Cell	
Days in reporting period:	91.25	days		
Total days in the calendar year:	365	days		
BACKGROUND				
Has the utility reviewed section 149(1) ITA to				
confirm that it is not subject to regular corporate				
tax (and therefore subject to PILs)?		Y/N		
Was the utility recently acquired by Hydro One				
and now subject to s.89 & 90 PILs?		Y/N		
Is the utility a non-profit corporation?		Y/N		
(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N		
shared among the corporate group?	LCT	Y/N		
Please identify the % used to allocate the OCT and LCT exemptions in	OCT		2%	
Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		3%	
Accounting Year End		Date	12-31-2001	
MARR NO TAX CALCULATIONS				**Regulatory**
SHEET #7 FINAL RUD MODEL DATA				**Income**
(FROM 1999 FINANCIAL STATEMENTS)				
USE BOARD-APPROVED AMOUNTS				
Rate Base (wires-only)			80,367,575	
Common Equity Ratio (CER)			50.00%	
1-CER			50.00%	
Target Return On Equity			9.88%	
Debt rate			7.25%	
Market Adjusted Revenue Requirement			6,883,483	
1999 return from RUD Sheet #7			3,269,200	3,269,200
Total Incremental revenue			3,614,283	
Input: Board-approved dollar amounts phased-in				
Amount allowed in 2001			1,204,761	1,204,761
Amount allowed in 2002			1,204,761	0
Amount allowed in 2003 and 2004 (will be zero due to Bill 210				0
unless authorized by the Minister and the Board)				0
Amount allowed in 2005 - Third tranche of MARR re: CDM				0
Other Board-approved changes to MARR or incremental revenue				0
				0
Total Regulatory Income				4,473,961
Equity			40,183,788	
Return at target ROE			3,970,158	
Debt			40,183,788	
Deemed interest amount in 100% of MARR			2,913,325	
Phase-in of interest - Year 1 (2001)			1,893,533	
((D43+D47)/D41)*D61				
Phase-in of interest - Year 2 (2002)			2,403,429	
((D43+D47+D48)/D41)*D61				
Phase-in of interest - Year 3 (2003) and forward			2,403,429	
((D43+D47+D48)/D41)*D61 (due to Bill 210)				
Waterloo North Hydro Inc.			2,913,325	
EB-2011-0201				

	ITEM	Initial Estimate		M of F Filing Variance G-C	M of F Filing Variance Explanation	Tax Returns Version 2009.1 Column Brought From TAXREC
PILs TAXES - EB-2010-						
PILs DEFERRAL AND VARIANCE ACCOUNTS						
TAX CALCULATIONS (TAXCALC)						
("Wires-only" business - see Tab TAXREC)						
0						
Utility Name: Waterloo North Hydro Inc.						
Reporting period: 2001						
Days in reporting period:	91	days				
Total days in the calendar year:	365	days				
		$		$		$
I) CORPORATE INCOME TAXES						
Regulatory Net Income REGINFO E53	1	1,118,490		-3,099,017		-1,980,527
BOOK TO TAX ADJUSTMENTS						
Additions:						
Depreciation & Amortization	2	1,088,812		-107,594		981,218
Employee Benefit Plans - Accrued, Not Paid	3	256,237		-256,237		0
Tax reserves - beginning of year	4			0		0
Reserves from financial statements - end of year	4			2,761,379		2,761,379
Regulatory Adjustments - increase in income	5			0		0
Other Additions (See Tab entitled "TAXREC")						
"Material" Items from "TAXREC" worksheet	6			0		0
Other Additions (not "Material") "TAXREC"	6			0		0
"Material Items from "TAXREC 2" worksheet	6			0		0
Other Additions (not "Material") "TAXREC 2"	6			0		0
Items on which true-up does not apply "TAXREC 3"				0		0
Deductions: ***Input positive numbers***						
Capital Cost Allowance and CEC	7	368,900		1,000,826		1,369,726
Employee Benefit Plans - Paid Amounts	8	256,237		-256,237		0
Items Capitalized for Regulatory Purposes	9	0		0		0
Regulatory Adjustments - deduction for tax purposes in Item 5	10	0		0		0
Interest Expense Deemed/ Incurred	11	473,383		-210,501		262,882
Tax reserves - end of year	4			0		0
Reserves from financial statements - beginning of year	4			2,749,493		2,749,493
Contributions to deferred income plans	3			0		0
Contributions to pension plans	3			0		0
Interest capitalized for accounting but deducted for tax	11			0		0
Other Deductions (See Tab entitled "TAXREC")						
"Material" Items from "TAXREC" worksheet	12			0		0
Other Deductions (not "Material") "TAXREC"	12			0		0
Material Items from "TAXREC 2" worksheet	12			0		0
Other Deductions (not "Material") "TAXREC 2"	12			0		0
Items on which true-up does not apply "TAXREC 3"				4,050		4,050
TAXABLE INCOME/ (LOSS)		1,365,019		(3,989,100)		(2,624,081)
BLENDED INCOME TAX RATE						
Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	40.62%		-40.6200%		0.00%
REGULATORY INCOME TAX		554,471		-554,471	Actual	0
Miscellaneous Tax Credits	14			0	Actual	0
Total Regulatory Income Tax		554,471		-554,471	Actual	0
II) CAPITAL TAXES						
Ontario						
Base	15	80,367,575		21,643,068		102,010,643
Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		-26,942		4,973,058
Taxable Capital		75,367,575		21,616,126		97,037,585
Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%
Ontario Capital Tax		56,526		16,851		73,376
Federal Large Corporations Tax						
Base	18	80,367,575		12,073,117		92,440,692
Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		0		10,000,000
Taxable Capital		70,367,575		12,073,117		82,440,692
Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%		0.0000%		0.2250%
Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		39,582		7,172		46,754
Less: Federal Surtax 1.12% x Taxable Income	21	15,288		-15,288		0
Net LCT		24,294		22,460		46,754
III) INCLUSION IN RATES						
Income Tax Rate used for gross- up (exclude surtax)		39.50%				
Income Tax (proxy tax is grossed-up)	22	916,480			**Actual 2001**	0
LCT (proxy tax is grossed-up)	23	40,155			**Actual 2001**	46,754
Ontario Capital Tax (no gross-up since it is deductible)	24	56,526			**Actual 2001**	73,376
Total PILs for Rate Adjustment -- MUST AGREE WITH 2001 RAM DECISION	25	1,013,161			**Actual 2001**	120,130
IV) FUTURE TRUE-UPS						
IV a) Calculation of the True-up Variance				DR/(CR)		
In Additions:						
Employee Benefit Plans - Accrued, Not Paid	3			-256,237		
Tax reserves deducted in prior year	4			0		
Reserves from financial statements-end of year	4			2,761,379		
Regulatory Adjustments	5			0		
Other additions "Material" Items TAXREC	6			0		
Other additions "Material" Items TAXREC 2	6			0		
In Deductions - positive numbers						
Employee Benefit Plans - Paid Amounts	8			-256,237		
Items Capitalized for Regulatory Purposes	9			0		
Regulatory Adjustments	10			0		
Interest Adjustment for tax purposes **(See Below - cell E206)**	11			0		
Tax reserves claimed in current year	4			0		
Reserves from F/S beginning of year	4			2,749,493		
Contributions to deferred income plans	3			0		
Contributions to pension plans	3			0		
Other deductions "Material" Items TAXREC	12			0		
Other deductions "Material" Item TAXREC 2	12			0		
Total TRUE-UPS before tax effect	26		=	11,886		
Income Tax Rate (excluding surtax) from **2001** Utility's tax return			x	40.62%		
Income Tax Effect on True-up adjustments			=	4,828		

	A	B	C	D	E	F	G	H
1	**PILs TAXES - EB-2010-**	**ITEM**	**Initial**		M of F	M of F	**Tax**	
2	**PILs DEFERRAL AND VARIANCE ACCOUNTS**		**Estimate**		Filing	Filing	**Returns**	
3	**TAX CALCULATIONS (TAXCALC)**				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				G-C	Explanation		
5	**0**						**Version 2009.1**	
6	**Utility Name: Waterloo North Hydro Inc.**							
7	**Reporting period: 2001**							
8							**Column**	
9	**Days in reporting period:**	91	days				**Brought**	
10	**Total days in the calendar year:**	365	days				**From**	
11							**TAXREC**	
15			$		$		$	
13								
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				4,828			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				39.50%			
131								
132	**TRUE-UP VARIANCE ADJUSTMENT**				7,980			
133								
134	**IV b) Calculation of the Deferral Account Variance caused by changes in legislation**							
135								
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	1,365,019			
137								
138	REVISED CORPORATE INCOME TAX RATE			x	40.62%			
139								
140	REVISED REGULATORY INCOME TAX			=	554,471			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	554,471			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C60)			-	554,471			
147								
148	Regulatory Income Tax Variance			=	0			
149								
150	**Ontario Capital Tax**							
151	Base			=	80,367,575			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	75,367,575			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	56,526			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C72)			-	56,526			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	**Federal LCT**							
162	Base				80,367,575			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			
164	Revised Federal LCT			=	70,367,575			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
167								
168	Gross Amount				39,582			
169	Less: Federal surtax			-	15,288			
170	Revised Net LCT			=	24,294			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C84)			-	24,294			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				18.00%			
176								
177	**Income Tax (grossed-up)**			+	0			
178	**LCT (grossed-up)**			+	0			
179	**Ontario Capital Tax**			+	0			
180								
181	**DEFERRAL ACCOUNT VARIANCE ADJUSTMENT**			=	0			
182								
183	**TRUE-UP VARIANCE (from cell I132)**			+	7,980			
184								
185	**Total Deferral Account Entry (Positive Entry = Debit)**			=	7,980			
186	*(Deferral Account Variance + True-up Variance)*							
187								
188								
189								
190	**V) INTEREST PORTION OF TRUE-UP**							
191	**Variance Caused By Phase-in of Deemed Debt**							
192								
193	Total deemed interest (REGINFO)				2,913,325			
194	Interest phased-in (Cell C37)				473,383			
195								
196	Variance due to phase-in of debt component of MARR in rates				2,439,941			
197	according to the Board's decision							
198								
199	**Other Interest Variances (i.e. Borrowing Levels**							
200	**Above Deemed Debt per Rate Handbook)**							
201	Interest deducted on MoF filing (Cell G37+G42)				262,882			
202	Total deemed interest (REGINFO CELL D62)				2,913,325			
203								
204	Variance caused by excess debt				0			
205								
206	**Interest Adjustment for Tax Purposes (carry forward to Cell E112)**				0			
207								
208	**Total Interest Variance**				2,439,941			
209								
210								
211								

PILs TAXES - EB-2010-	**LINE**	**M of F**	Non-wires	**Wires-only**	
TAX RETURN RECONCILIATION (TAXREC)		**Corporate**	Eliminations	**Tax**	
(for "wires-only" business - see s. 72 OEB Act)		**Tax**		**Return**	
0		**Return**			
				Version 2009.1	
Section A: Identification:					
Utility Name: Waterloo North Hydro Inc.					
Reporting period: 2001					
Taxation Year's start date:					
Taxation Year's end date:					
Number of days in taxation year:		91	days		
Please enter the Materiality Level :		100,459	< - enter materiality level		
(0.25% x Rate Base x CER)	Y/N				
(0.25% x Net Assets)	Y/N				
Or other measure (please provide the basis of the amount)	Y/N				
Does the utility carry on non-wires related operation?	Y/N				
(Please complete the questionnaire in the Background questionnaire worksheet.)					
Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
Section B: Financial statements data:					
Input unconsolidated financial statement data submitted with Tax returns.					
The actual categories of the income statements should be used.					
If required please change the descriptions except for amortization, interest expense and provision for income tax					
Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts					
in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.					
Income:					
Energy Sales	+			0	
Distribution Revenue	+			0	
Other Income	+	610,166		610,166	
Miscellaneous income	+			0	
Energy Sales & Distribution Revenue	+	23,148,991		23,148,991	
Revenue should be entered above this line					
Costs and Expenses:					
Cost of energy purchased	-	21,940,082		21,940,082	
Administration	-	1,169,556		1,169,556	
Customer billing and collecting	-	363,250		363,250	
Operations and maintenance	-	1,285,578		1,285,578	
Amortization	-	981,218		981,218	
Ontario Capital Tax	-			0	
	-			0	
	-			0	
	-			0	
	-			0	
Net Income Before Interest & Income Taxes EBIT	=	-1,980,527	0	-1,980,527	
Less: Interest expense for accounting purposes	-	262,882		262,882	
Provision for payments in lieu of income taxes	-	58,538		58,538	
Net Income (loss)	=	-2,301,947	0	-2,301,947	
(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return.)					
Section C: Reconciliation of accounting income to taxable income					
From T2 Schedule 1					
BOOK TO TAX ADDITIONS:					
Provision for income tax	+	58,538	0	58,538	
Federal large corporation tax	+			0	
Depreciation & Amortization	+	981,218	0	981,218	
Employee benefit plans-accrued, not paid	+		0	0	
Tax reserves - beginning of year	+	0	0	0	
Reserves from financial statements- end of year	+	2,761,379	0	2,761,379	
Regulatory adjustments on which true-up may apply (see A66)	+			0	
Items on which true-up does not apply "TAXREC 3"		0	0	0	
Material addition items from TAXREC 2	+	0	0	0	
Other addition items (not Material) from TAXREC 2	+	0	0	0	
Subtotal		3,801,135	0	3,801,135	
Other Additions: (Please explain the nature of the additions)					
Recapture of CCA	+			0	
Non-deductible meals and entertainment expense	+			0	
Capital items expensed - Software expensed per F/S	+			0	
	+			0	
	+			0	
	+			0	
	+			0	
Total Other Additions	=	0	0	0	
Total Additions	=	3,801,135	0	3,801,135	
Recap Material Additions:					
		0	0	0	
		0	0	0	

	PILs TAXES - EB-2010-	**LINE**	**M of F**	Non-wires	**Wires-only**	
	TAX RETURN RECONCILIATION (TAXREC)		**Corporate**	Eliminations	**Tax**	
	(for "wires-only" business - see s. 72 OEB Act)		**Tax**		**Return**	
	0		**Return**			
					Version 2009.1	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91			0	0	0	
92	*Total Other additions >materiality level*		0	0	0	
93	Other additions (less than materiality level)		0	0	0	
94	Total Other Additions		0	0	0	
95						
96	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	1,369,726		1,369,726	
98	Cumulative eligible capital deduction	-			0	
99	Employee benefit plans-paid amounts	-			0	
100	Items capitalized for regulatory purposes	-			0	
101	*Regulatory adjustments :*	-			0	
102	*CCA*	-			0	
103	*other deductions*	-			0	
104	*Tax reserves - end of year*	-	0	0	0	
105	*Reserves from financial statements- beginning of year*	-	2,749,493	0	2,749,493	
106	*Contributions to deferred income plans*	-			0	
107	*Contributions to pension plans*	-			0	
108	***Items on which true-up does not apply "TAXREC 3"***		4,050	0	4,050	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	0	0	0	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	4,123,269	0	4,123,269	
114	*Other deductions (Please explain the nature of the deductions)*					
115	**Charitable donations - tax basis**	-			0	
116	*Gain on disposal of assets*	-			0	
117		-			0	
118					0	
119		-			0	
120	*Total Other Deductions*	=	0	0	0	
121						
122	Total Deductions	=	4,123,269	0	4,123,269	
123						
124	Recap Material Deductions:					
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130	*Total Other Deductions exceed materiality level*		0	0	0	
131	Other Deductions less than materiality level		0	0	0	
132	Total Other Deductions		0	0	0	
133						
134	TAXABLE INCOME	=	-2,624,081	0	-2,624,081	
135	DEDUCT:					
136	Non-capital loss applied positive number	-			0	
137	Net capital loss applied positive number	-			0	
138					0	
139	NET TAXABLE INCOME	=	(2,624,081)	0	(2,624,081)	
140						
141	**FROM ACTUAL TAX RETURNS**					
142	Net Federal Income Tax (Must agree with tax return)	+			0	
143	Net Ontario Income Tax (Must agree with tax return)	+			0	
144	Subtotal	=	0	0	0	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0	
146	**Total Income Tax**	=	0	0	0	
147						
148	**FROM ACTUAL TAX RETURNS**					
149	Net Federal Income Tax Rate (Must agree with tax return)		0.00%		0.00%	
150	Net Ontario Income Tax Rate (Must agree with tax return)		0.00%		0.00%	
151	Blended Income Tax Rate		0.00%		0.00%	
152						
153	**Section F: Income and Capital Taxes**					
154						
155	**RECAP FROM ABOVE:**					
156	Total Income Taxes	+	0	0	0	
157	Ontario Capital Tax	+	73,376		73,376	
158	Federal Large Corporations Tax	+	46,754		46,754	
159						
160	**Total income and capital taxes**	=	120,130	0	120,130	
161						

PILs TAXES - EB-2010-	LINE	M of F	Non-wires	**Wires-only**	
Tax and Accounting Reserves		Corporate	Eliminations	**Tax**	
For MoF Column of TAXCALC		Tax		**Return**	
(for "wires-only" business - see s. 72 OEB Act)		Return			
0				**Version 2009.1**	
Utility Name: Waterloo North Hydro Inc.					
Reporting period: 2001					
TAX RESERVES					
Beginning of Year:					
				0	
Reserve for doubtful accounts ss. 20(1)(l)				0	
Reserve for goods & services ss.20(1)(m)				0	
Reserve for unpaid amounts ss.20(1)(n)				0	
Debt and share issue expenses ss.20(1)(e)				0	
				0	
				0	
				0	
				0	
Total (carry forward to the TAXREC worksheet)		0	0	0	
End of Year:					
				0	
Reserve for doubtful accounts ss. 20(1)(l)				0	
Reserve for goods & services ss.20(1)(m)				0	
Reserve for unpaid amounts ss.20(1)(n)				0	
Debt and share issue expenses ss.20(1)(e)				0	
				0	
				0	
				0	
				0	
Insert line above this line					
Total (carry forward to the TAXREC worksheet)		0	0	0	
FINANCIAL STATEMENT RESERVES					
Beginning of Year:					
				0	
				0	
Environmental				0	
Allowance for doubtful accounts		100,000		100,000	
Inventory obsolescence				0	
Property taxes				0	
Vested Sick Leave		361,807		361,807	
Post Employment Benefits		2,287,686		2,287,686	
				0	
Total (carry forward to the TAXREC worksheet)		2,749,493	0	2,749,493	
End of Year:					
				0	
				0	
Environmental				0	
Allowance for doubtful accounts		100,000		100,000	
Inventory obsolescence				0	
Property taxes				0	
Vested Sick Leave		357,668		357,668	
Post Employment Benefits		2,303,711		2,303,711	
				0	
Insert line above this line					
Total (carry forward to the TAXREC worksheet)		2,761,379	0	2,761,379	

PILs TAXES - EB-2010-	LINE	M of F	Non-wires	**Wires-only**	
TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	**Tax**	
(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	
RATEPAYERS ONLY		Return			
Shareholder-only Items should be shown on TAXREC 3				**Version 2009.1**	
Utility Name: Waterloo North Hydro Inc.					
Reporting period: 2001					
Number of days in taxation year:		91			
Materiality Level:		100,459			
Section C: Reconciliation of accounting income to taxable income					
Add:					
	+			0	
Gain on sale of eligible capital property	+			0	
Loss on disposal of assets	+			0	
Charitable donations (Only if it benefits ratepayers)	+			0	
Taxable capital gains	+			0	
	+			0	
Scientific research expenditures deducted	+			0	
per financial statements	+			0	
Capitalized interest	+			0	
Soft costs on construction and renovation of buildings	+			0	
Capital items expensed	+			0	
Debt issue expense	+			0	
Financing fees deducted in books	+			0	
Gain on settlement of debt	+			0	
Interest paid on income debentures	+			0	
Recapture of SR&ED expenditures	+			0	
Share issue expense	+			0	
Write down of capital property	+			0	
Amounts received in respect of qualifying environment trust	+			0	
	+			0	
	+			0	
	+			0	
	+			0	
	+			0	
Other Additions: (please explain in detail the nature of the item)	+			0	
	+			0	
	+			0	
	+			0	
	+			0	
	+				
Total Additions	=	0	0	0	
Recap of Material Additions:					
		0	0	0	
		0	0	0	
		0	0	0

	PILs TAXES - EB-2010-	LINE	M of F	Non-wires	**Wires-only**	
	TAX RETURN RECONCILIATION (TAXREC 2)		Corporate	Eliminations	**Tax**	
	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	
	RATEPAYERS ONLY		Return			
	Shareholder-only Items should be shown on TAXREC 3				**Version 2009.1**	
	Utility Name: Waterloo North Hydro Inc.					
	Reporting period: 2001					
	Number of days in taxation year:		91			
	Materiality Level:		100,459			
75			0	0	0	
76			0	0	0	
77	Total Material additions		0	0	0	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		0	0	0	
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
83	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
86	Scientific research expenses claimed in year from Form T661	-			0	
87	Bad debts	-			0	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-			0	
92		-				
93		-			0	
94		-			0	
95	*Other deductions: (Please explain in detail the nature of the item)*	-			0	
96		-			0	
97		-			0	
98		-			0	
99	Total Deductions	=	0	0	0	
100						
101	Recap of Material Deductions:					
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
107			0	0	0	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119	Total Deductions exceed materiality level		0	0	0	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		0	0	0	
122						

PILs TAXES - EB-2010-					
TAX RETURN RECONCILIATION (TAXREC 3)					
Shareholder-only Items should be shown on TAXREC 3	LINE	M of F	Non-wires	**Wires-only**	
ITEMS ON WHICH TRUE-UP DOES NOT APPLY		Corporate	Eliminations	**Tax**	
(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	
0		Return			
Utility Name: Waterloo North Hydro Inc.				**Version 2009.1**	
Reporting period: 2001					
Number of days in taxation year:		91			
Section C: Reconciliation of accounting income to taxable income					
Add:					
Recapture of capital cost allowance	+			0	
CCA adjustments	+			0	
CEC adjustments	+			0	
Gain on sale of non-utility eligible capital property	+			0	
Gain on sale of utility eligible capital property	+			0	
Loss from joint ventures or partnerships	+			0	
Deemed dividend income	+			0	
Loss in equity of subsidiaries and affiliates	+			0	
Loss on disposal of utility assets	+			0	
Loss on disposal of non-utility assets	+			0	
Depreciation in inventory -end of year	+			0	
Depreciation and amortization adjustments	+			0	
Dividends credited to investment account	+			0	
Non-deductible meals	+			0	
Non-deductible club dues	+			0	
Non-deductible automobile costs	+			0	
Donations - amount per books	+				
Interest and penalties on unpaid taxes	+				
Management bonuses unpaid after 180 days of year end	+				
Ontario Capital Tax per books	+				
	+			0	
Changes in Regulatory Asset balances	+			0	
Imputed interest expense on Regulatory Assets	+			0	
	+			0	
Other Additions: (please explain in detail the nature of the item)	+			0	
Capital contributions - s.12(1)(x)	+			0	
	+			0	
	+				
Total Additions on which true-up does not apply	=	0	0	0	
Deduct:					
CCA adjustments	-			0	
CEC adjustments	-			0	
Depreciation and amortization adjustments	-			0	
Gain on disposal of assets per financial statements	-	4,050		4,050	
Financing fee amorization - considered to be interest expense for PILs	-			0	
Imputed interest income on Regulatory Assets	-			0	
Donations - amount deductible for tax purposes	-			0	
Income from joint ventures or partnerships	-			0	
	-			0	
Ontario Capital Tax per tax return	-			0	
	-			0	
Changes in Regulatory Asset balances	-			0	
	-			0	
	-			0	
	-			0	
	-			0	
	-			0	
Other deductions: (Please explain in detail the nature of the item)	-			0	
Capital contributions s.13(7.4) Election	-			0	
Prospectus & underwriting fees	-			0	
Income not earned on movement of Regulatory A/Cs	-			0	
Deferred cost deductible (market ready)	-			0	
Total Deductions on which true-up does not apply	=	4,050	0	4,050	

PILs TAXES - EB-2010-
Corporate Tax Rates **Version 2009.1**
Exemptions, Deductions, or Thresholds

Utility Name: Waterloo North Hydro Inc.
Reporting period: 2001

Table 1

Rates Used in 2002 RAM PILs Applications for 2001 Q4

Income Range RAM 2002	Year	0 to 50,000		50,000 to 175,000	>175,000
Income Tax Rate					
Proxy Tax Year	*2002*				
Federal (Includes surtax)		13.12%		28.12%	28.12%
and Ontario blended		6.00%		6.00%	12.50%
Blended rate		19.12%		34.12%	40.62%
Capital Tax Rate		0.300%			
LCT rate		0.225%			
Surtax		1.12%			
Ontario Capital Tax Exemption **	MAX $5MM	5,000,000			
Federal Large Corporations Tax Exemption **	MAX $10MM	10,000,000			

****Exemption amounts must agree with the Board-approved 2001 RAM PILs filing**

Table 2

Expected Income Tax Rates for 2001 and Capital Tax Exemptions for 2001

Income Range Expected Rates	Year	0 to 50,000		50,000 to 175,000	>175,000
Income Tax Rate					
Current year	*2001*				
Federal (Includes surtax)	*2001*	13.12%		28.12%	28.12%
Ontario	*2001*	6.00%		6.00%	12.50%
Blended rate	*2001*	19.12%		34.12%	40.62%
Capital Tax Rate	*2001*	0.300%			
LCT rate	*2001*	0.225%			
Surtax	*2001*	1.12%			
Ontario Capital Tax Exemption *** 2001	MAX $5MM	5,000,000			
Federal Large Corporations Tax Exemption *** 2001	MAX $10MM	10,000,000			

*****Allocation of exemptions must comply with the Board's instructions regarding regulated activities.**

Table 3

Input Information from Utility's Actual 2001 Tax Returns

Income Range	Year	0 to 50,000		50,000 to 175,000	>175,000
Income Tax Rate					
Current year	*2001*				
Federal (Includes surtax)		13.12%		22.12%	28.12%
Ontario		6.00%		9.75%	12.50%
Blended rate		19.12%		31.87%	40.62%
Capital Tax Rate		0.300%			
LCT rate		0.225%			
Surtax		1.12%			
Ontario Capital Tax Exemption *	MAX $5MM	4,973,058			
Federal Large Corporations Tax Exemption *	MAX $10MM	10,000,000			

*** Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36**

PILs TAXES - EB-2010-
Analysis of PILs Tax Account 1562:
Utility Name: Waterloo North Hydro Inc. — **Version 2009.1**
Reporting period: 2001 — **Sign Convention: + for increase; - for decrease** — **0**

Year start:		8/1/2001	1/1/2002	1/1/2003	1/1/2004	1/1/2005	1/1/2006		
Year end:		12/31/2001	12/31/2002	12/31/2003	12/31/2004	12/31/2005	4/30/2006		Total
Opening balance:	=	0	1,019,282	1,019,282	2,032,443	2,285,733	2,285,733		0
Board-approved PILs tax proxy from Decisions (1)	+/-	1,013,161		1,013,161	253,290	0	0		2,279,612
PILs proxy from April 1, 2005 - input 9/12 of amount									0
True-up Variance Adjustment Q4, 2001 (2)	+/-								0
True-up Variance Adjustment (3)	+/-						7,980		7,980
Deferral Account Variance Adjustment Q4, 2001 (4)									0
Deferral Account Variance Adjustment (5)	+/-						0		0
Adjustments to reported prior years' variances (6)	+/-								0
Carrying charges (7)	+/-	6,121							6,121
PILs billed to (collected from) customers (8)	-	0							0
Ending balance: # 1562		1,019,282	1,019,282	2,032,443	2,285,733	2,285,733	2,293,714		2,293,714

Uncollected PILs

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

Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:

(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.
Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.
If the Board gave more than one decision in the year, calculate a weighted average proxy.
(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.
(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.
(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.
(v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.
(vi) Column M - The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.

(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconcilation.

(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.
The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.

(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.

(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.
The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.

(6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.

(7) Carrying charges are calculated on a simple interest basis.

(8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate components for Q4, 2001and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the 2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.
The 2005 PILs tax proxy is being recovered on a volumetric basis by class.

(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kWs, Kva) for the period (including net unbilled at period end), multiplied by the PILs volumetric proxy rates by class (from the Q4, 2001and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004; plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.

In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7, for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.

In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4, for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used to calculate the recovery for the period January 1 to March 31, 2005.

(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes will have to include amounts from 1562 and from 1590.

Attachment U

2002
SIMPIL Model
(Revised)

	A	B	C	D	E
1	**PILs TAXES - EB-2008-381**				**Version 2009.1**
2	**REGULATORY INFORMATION (REGINFO)**				
3	**Utility Name: Waterloo North Hydro Inc.**			Colour Code	
4	**Reporting period: 2002**			**Input Cell**	
5				**Formula in Cell**	
6	**Days in reporting period:**	365	days		
7	**Total days in the calendar year:**	365	days		
8					
9	**BACKGROUND**				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N		
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N		
16					
17	Is the utility a non-profit corporation?		Y/N		
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N		
20	shared among the corporate group?	LCT	Y/N		
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
23					
24	Accounting Year End		Date	12-31-2002	
25					
26	**MARR NO TAX CALCULATIONS**				**Regulatory**
27	**SHEET #7 FINAL RUD MODEL DATA**				**Income**
28	**(FROM 1999 FINANCIAL STATEMENTS)**				
29	**USE BOARD-APPROVED AMOUNTS**				
30					
31	Rate Base (wires-only)			80,367,575	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			6,883,483	
42					
43	1999 return from RUD Sheet #7			3,269,200	3,269,200
44					
45	Total Incremental revenue			3,614,283	
46	**Input: Board-approved dollar amounts phased-in**				
47	Amount allowed in 2001			1,204,761	1,204,761
48	Amount allowed in 2002			1,204,761	1,204,761
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210				0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM				0
52	Other Board-approved changes to MARR or incremental revenue				0
53					0
54	**Total Regulatory Income**				5,678,722
55					
56	Equity			40,183,788	
57					
58	Return at target ROE			3,970,158	
59					
60	Debt			40,183,788	
61					
62	Deemed interest amount in 100% of MARR			2,913,325	
63					
64	Phase-in of interest - Year 1 (2001)			1,893,533	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			2,403,429	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			2,403,429	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			2,913,325	
71					
72					

	A	B	C	D	E	F	G	H
1	**PILs TAXES - EB-2008-381**	**ITEM**	**Initial**		M of F	M of F	**Tax**	
2	**PILs DEFERRAL AND VARIANCE ACCOUNTS**		**Estimate**		Filing	Filing	**Returns**	
3	**TAX CALCULATIONS (TAXCALC)**				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	**0**						**Version 2009.1**	
6	**Utility Name: Waterloo North Hydro Inc.**							
7	**Reporting period: 2002**							
8							**Column**	
9	**Days in reporting period:**	365	days				**Brought**	
10	**Total days in the calendar year:**	365	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
14	**I) CORPORATE INCOME TAXES**							
15								
16	Regulatory Net Income REGINFO E53	1	5,678,722		2,474,260		8,152,982	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	***Additions:***							
20	Depreciation & Amortization	2	4,355,246		798,237		5,153,483	
21	Employee Benefit Plans - Accrued, Not Paid	3	1,202,368		-1,202,368		0	
22	Tax reserves - beginning of year	4			0		0	
23	Reserves from financial statements - end of year	4			2,810,433		2,810,433	
24	Regulatory Adjustments - increase in income	5			0		0	
25	Other Additions (See Tab entitled "TAXREC")							
26	"Material" Items from "TAXREC" worksheet	6			0		0	
27	Other Additions (not "Material") "TAXREC"	6			0		0	
28	"Material Items from "TAXREC 2" worksheet	6			0		0	
29	Other Additions (not "Material") "TAXREC 2"	6			0		0	
30	**Items on which true-up does not apply "TAXREC 3"**				736,041		736,041	
31								
32	***Deductions: Input positive numbers***							
33	Capital Cost Allowance and CEC	7	2,927,193		3,132,847		6,060,040	
34	Employee Benefit Plans - Paid Amounts	8	1,087,368		-1,087,368		0	
35	Items Capitalized for Regulatory Purposes	9	0		0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10			0		0	
37	Interest Expense Deemed/ Incurred	11	2,403,429		-1,010,097		1,393,332	
38	Tax reserves - end of year	4			0		0	
39	Reserves from financial statements - beginning of year	4			2,761,379		2,761,379	
40	Contributions to deferred income plans	3			0		0	
41	Contributions to pension plans	3			0		0	
42	Interest capitalized for accounting but deducted for tax	11			0		0	
43	Other Deductions (See Tab entitled "TAXREC")							
44	"Material" Items from "TAXREC" worksheet	12			0		0	
45	Other Deductions (not "Material") "TAXREC"	12			0		0	
46	Material Items from "TAXREC 2" worksheet	12			0		0	
47	Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48	**Items on which true-up does not apply "TAXREC 3"**				1,849,214		1,849,214	
49								
50	TAXABLE INCOME/ (LOSS)		4,818,346		(29,372)		4,788,974	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%		0.0000%		38.62%	
54								
55	REGULATORY INCOME TAX		1,860,845		-1,024,763	Actual	836,082	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59								
60	**Total Regulatory Income Tax**		1,860,845		-1,024,763	Actual	836,082	
61								
62								
63	**II) CAPITAL TAXES**							
64								
65	***Ontario***							
66	Base	15	80,367,575		26,961,706		107,329,281	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		-12,091		4,987,909	
68	Taxable Capital		75,367,575		26,949,615		102,341,372	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		226,103		80,921		307,024	
73								
74	***Federal Large Corporations Tax***							
75	Base	18	80,367,575		17,425,153		97,792,728	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		0		10,000,000	
77	Taxable Capital		70,367,575		17,425,153		87,792,728	
78								
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%		0.0000%		0.2250%	
80								
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		158,327		39,207		197,534	
82	Less: Federal Surtax 1.12% x Taxable Income	21	53,965		-29,718		24,247	
83								
84	Net LCT		104,362		68,925		173,287	
85								

	A	B	C	D	E	F	G	H
1	**PILs TAXES - EB-2008-381**	**ITEM**	**Initial**		M of F	M of F	**Tax**	
2	**PILs DEFERRAL AND VARIANCE ACCOUNTS**		**Estimate**		Filing	Filing	**Returns**	
3	**TAX CALCULATIONS (TAXCALC)**				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	**0**						**Version 2009.1**	
6	**Utility Name: Waterloo North Hydro Inc.**							
7	**Reporting period: 2002**							
8							**Column**	
9	**Days in reporting period:**	365	days				**Brought**	
10	**Total days in the calendar year:**	365	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
86	**III) INCLUSION IN RATES**							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		37.50%					
89								
90	Income Tax (proxy tax is grossed-up)	22	2,977,352			**Actual 2002**	836,082	
91	LCT (proxy tax is grossed-up)	23	166,979			**Actual 2002**	173,287	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	226,103			**Actual 2002**	307,024	
93								
94								
95	***Total PILs for Rate Adjustment -- MUST AGREE WITH 2002***	25	3,370,434			**Actual 2002**	1,316,393	
96	**RAM DECISION**							
97								
98								
99	***IV) FUTURE TRUE-UPS***							
100	**IV a) Calculation of the True-up Variance**				**DR/(CR)**			
101	***In Additions:***							
102	Employee Benefit Plans - Accrued, Not Paid	3			-1,202,368			
103	Tax reserves deducted in prior year	4			0			
104	Reserves from financial statements-end of year	4			2,810,433			
105	Regulatory Adjustments	5			0			
106	Other additions "Material" Items TAXREC	6			0			
107	Other additions "Material" Items TAXREC 2	6			0			
108	***In Deductions - positive numbers***							
109	Employee Benefit Plans - Paid Amounts	8			-1,087,368			
110	Items Capitalized for Regulatory Purposes	9			0			
111	Regulatory Adjustments	10			0			
112	Interest Adjustment for tax purposes **(See Below - cell I204)**	11			0			
113	Tax reserves claimed in current year	4			0			
114	Reserves from F/S beginning of year	4			2,761,379			
115	Contributions to deferred income plans	3			0			
116	Contributions to pension plans	3			0			
117	Other deductions "Material" Items TAXREC	12			0			
118	Other deductions "Material" Item TAXREC 2	12			0			
119								
120	Total TRUE-UPS before tax effect	26		=	-65,946			
121								
122	Income Tax Rate (excluding surtax) from **2002** Utility's tax return			x	38.62%			
123								
124	Income Tax Effect on True-up adjustments			=	-25,468			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				-25,468			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				37.50%			
131								
132	**TRUE-UP VARIANCE ADJUSTMENT**				(40,749)			
133								
134	**IV b) Calculation of the Deferral Account Variance caused by changes in legislation**							
135								
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	4,818,346			
137								
138	REVISED CORPORATE INCOME TAX RATE			x	38.62%			
139								
140	REVISED REGULATORY INCOME TAX			=	1,860,845			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	1,860,845			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	1,860,845			
147								
148	Regulatory Income Tax Variance			=	0			
149								

	A	B	C	D	E	F	G	H
1	**PILs TAXES - EB-2008-381**	**ITEM**	**Initial**		M of F	M of F	**Tax**	
2	**PILs DEFERRAL AND VARIANCE ACCOUNTS**		**Estimate**		Filing	Filing	**Returns**	
3	**TAX CALCULATIONS (TAXCALC)**				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	**0**						**Version 2009.1**	
6	**Utility Name: Waterloo North Hydro Inc.**							
7	**Reporting period: 2002**							
8							**Column**	
9	**Days in reporting period:**	365	days				**Brought**	
10	**Total days in the calendar year:**	365	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
150	**Ontario Capital Tax**							
151	Base			=	80,367,575			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	75,367,575			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	226,103			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	226,103			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	**Federal LCT**							
162	Base				80,367,575			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			
164	Revised Federal LCT			=	70,367,575			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
167								
168	Gross Amount				158,327			
169	Less: Federal surtax			-	53,965			
170	Revised Net LCT			=	104,362			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C84)			-	104,362			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				37.50%			
176								
177	**Income Tax (grossed-up)**			+	0			
178	**LCT (grossed-up)**			+	0			
179	**Ontario Capital Tax**			+	0			
180								
181	**DEFERRAL ACCOUNT VARIANCE ADJUSTMENT**			=	0			
182								
183	**TRUE-UP VARIANCE (from cell I130)**			+	(40,749)			
184								
185	**Total Deferral Account Entry (Positive Entry = Debit)**			=	(40,749)			
186	*(Deferral Account Variance + True-up Variance)*							
187								
188								
189								
190	**V) INTEREST PORTION OF TRUE-UP**							
191	**Variance Caused By Phase-in of Deemed Debt**							
192								
193	Total deemed interest (REGINFO)				2,913,325			
194	Interest phased-in (Cell C36)				2,403,429			
195								
196	Variance due to phase-in of debt component of MARR in rates				509,896			
197	according to the Board's decision							
198								
199	**Other Interest Variances (i.e. Borrowing Levels**							
200	**Above Deemed Debt per Rate Handbook)**							
201	Interest deducted on MoF filing (Cell K36+K41)				1,393,332			
202	Total deemed interest (REGINFO CELL D61)				2,913,325			
203								
204	Variance caused by excess debt				0			
205								
206	**Interest Adjustment for Tax Purposes (carry forward to Cell I110)**				0			
207								
208	**Total Interest Variance**				509,896			
209								
210								
211								

	A	B	C	D	E	F
1	**PILs TAXES - EB-2008-381**	**LINE**	**M of F**	Non-wires	**Wires-only**	
2	**TAX RETURN RECONCILIATION (TAXREC)**		**Corporate**	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		**Tax**		**Return**	
4	**0**		**Return**			
5					**Version 2009.1**	
6	**Section A: Identification:**					
7	**Utility Name: Waterloo North Hydro Inc.**					
8	**Reporting period: 2002**					
9	**Taxation Year's start date:**					
10	**Taxation Year's end date:**					
11	**Number of days in taxation year:**		365	days		
12						
13	**Please enter the Materiality Level :**		100,459	< - enter materiality level		
14	**(0.25% x Rate Base x CER)**	Y/N				
15	**(0.25% x Net Assets)**	Y/N				
16	**Or other measure (please provide the basis of the amount)**	Y/N				
17	**Does the utility carry on non-wires related operation?**	Y/N				
18	**(Please complete the questionnaire in the Background questionnaire worksheet.)**					
19						
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
22	**Section B: Financial statements data:**					
23	*Input unconsolidated financial statement data submitted with Tax returns.*					
24	*The actual categories of the income statements should be used.*					
25	*If required please change the descriptions except for amortization, interest expense and provision for income tax*					
26						
27	*Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts*					
28	*in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.*					
29						
30	**Income:**					
31	Energy Sales	+	92,658,590		92,658,590	
32	Distribution Revenue	+	20,349,135		20,349,135	
33	Other Income	+	1,337,444		1,337,444	
34	Miscellaneous income	+			0	
35		+			0	
36	Revenue should be entered above this line					
37						
38	**Costs and Expenses:**					
39	Cost of energy purchased	-	92,447,418		92,447,418	
40	Administration	-	1,837,828		1,837,828	
41	Customer billing and collecting	-	1,985,162		1,985,162	
42	Operations and maintenance	-	4,240,244		4,240,244	
43	Amortization	-	5,153,483		5,153,483	
44	Ontario Capital Tax	-	301,952		301,952	
45	Community Relations	-	226,100		226,100	
46		-			0	
47		-			0	
48		-			0	
49						
50	**Net Income Before Interest & Income Taxes EBIT**	=	8,152,982	0	8,152,982	
51	Less: Interest expense for accounting purposes	-	1,393,332		1,393,332	
52	Provision for payments in lieu of income taxes	-	1,002,712		1,002,712	
53	**Net Income (loss)**	=	5,756,938	0	5,756,938	
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return.)					
55						
56	**Section C: Reconciliation of accounting income to taxable income**					
57	***From T2 Schedule 1***					
58	**BOOK TO TAX ADDITIONS:**					
59	Provision for income tax	+	1,002,712	0	1,002,712	
60	Federal large corporation tax	+			0	
61	Depreciation & Amortization	+	5,153,483	0	5,153,483	
62	Employee benefit plans-accrued, not paid	+		0	0	
63	Tax reserves - beginning of year	+	0	0	0	
64	Reserves from financial statements- end of year	+	2,810,433	0	2,810,433	
65	Regulatory adjustments on which true-up may apply (see A66)	+			0	
66	***Items on which true-up does not apply "TAXREC 3"***		736,041	0	736,041	
67	Material addition items from TAXREC 2	+	0	0	0	
68	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69						
70	*Subtotal*		9,702,669	0	9,702,669	
71						
72	*Other Additions: (Please explain the nature of the additions)*					

	A	B	C	D	E	F
1	**PILs TAXES - EB-2008-381**	**LINE**	**M of F**	Non-wires	**Wires-only**	
2	**TAX RETURN RECONCILIATION (TAXREC)**		**Corporate**	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		**Tax**		**Return**	
4	**0**		**Return**			
5					**Version 2009.1**	
73	Recapture of CCA	+			0	
74	Non-deductible meals and entertainment expense	+			0	
75	Capital items expensed	+			0	
76	DEPRECIATION DIFFERENCE	+			0	
77		+			0	
78		+			0	
79		+			0	
80	*Total Other Additions*	=	0	0	0	
81						
82	Total Additions	=	9,702,669	0	9,702,669	
83						
84	Recap Material Additions:					
85			0	0	0	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91			0	0	0	
92	*Total Other additions >materiality level*		0	0	0	
93	Other additions (less than materiality level)		0	0	0	
94	Total Other Additions		0	0	0	
95						

	A	B	C	D	E	F
1	**PILs TAXES - EB-2008-381**	**LINE**	**M of F**	Non-wires	**Wires-only**	
2	**TAX RETURN RECONCILIATION (TAXREC)**		**Corporate**	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		**Tax**		**Return**	
4	**0**		**Return**			
5					**Version 2009.1**	
96	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	6,060,040		6,060,040	
98	Cumulative eligible capital deduction	-			0	
99	Employee benefit plans-paid amounts	-			0	
100	Items capitalized for regulatory purposes	-			0	
101	*Regulatory adjustments :*	-			0	
102	*CCA*	-			0	
103	*other deductions*	-			0	
104	*Tax reserves - end of year*	-	0	0	0	
105	*Reserves from financial statements- beginning of year*	-	2,761,379	0	2,761,379	
106	*Contributions to deferred income plans*	-			0	
107	*Contributions to pension plans*	-			0	
108	***Items on which true-up does not apply "TAXREC 3"***		1,849,214	0	1,849,214	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	0	0	0	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	10,670,633	0	10,670,633	
114	*Other deductions (Please explain the nature of the deductions)*					
115	**Charitable donations - tax basis**	-			0	
116	*Gain on disposal of assets*	-			0	
117		-			0	
118					0	
119		-			0	
120	*Total Other Deductions*	=	0	0	0	
121						
122	Total Deductions	=	10,670,633	0	10,670,633	
123						
124	Recap Material Deductions:					
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130	*Total Other Deductions exceed materiality level*		0	0	0	
131	Other Deductions less than materiality level		0	0	0	
132	Total Other Deductions		0	0	0	
133						
134	TAXABLE INCOME	=	4,788,974	0	4,788,974	
135	DEDUCT:					
136	Non-capital loss applied positive number	-	2,624,081		2,624,081	
137	Net capital loss applied positive number	-			0	
138					0	
139	NET TAXABLE INCOME	=	2,164,893	0	2,164,893	
140						
141	**FROM ACTUAL TAX RETURNS**					
142	Net Federal Income Tax (Must agree with tax return)	+	565,470		565,470	
143	Net Ontario Income Tax (Must agree with tax return)	+	270,612		270,612	
144	Subtotal	=	836,082	0	836,082	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0	
146	**Total Income Tax**	=	836,082	0	836,082	
147						
148	**FROM ACTUAL TAX RETURNS**					
149	Net Federal Income Tax Rate (Must agree with tax return)		26.12%		26.12%	
150	Net Ontario Income Tax Rate (Must agree with tax return)		12.50%		12.50%	
151	Blended Income Tax Rate		38.62%	**********	38.62%	
152						
153	**Section F: Income and Capital Taxes**					
154						
155	**RECAP**					
156	Total Income Taxes	+	836,082	0	836,082	
157	Ontario Capital Tax	+	307,024		307,024	
158	Federal Large Corporations Tax	+	173,287		173,287	
159						
160	**Total income and capital taxes**	=	1,316,393	0	1,316,393	
161						

	A	B	C	D	E	F
1	**PILs TAXES - EB-2008-381**	LINE	M of F	Non-wires	**Wires-only**	
2	**Tax and Accounting Reserves**		Corporate	Eliminations	**Tax**	
3	For MoF Column of TAXCALC		Tax		**Return**	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	**0**				**Version 2009.1**	
6						
7	**Utility Name: Waterloo North Hydro Inc.**					
8	**Reporting period: 2002**					
9						
10	**TAX RESERVES**					
11						
12	**Beginning of Year:**					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	**Total (**carry forward to the TAXREC worksheet)		0	0	0	
23						
24	**End of Year:**					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	**Total (**carry forward to the TAXREC worksheet)		0	0	0	
36						
37						
38	**FINANCIAL STATEMENT RESERVES**					
39						
40	**Beginning of Year:**					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts		100,000		100,000	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	Post Employment Benefits		2,303,711		2,303,711	
48	Other - Please describe				0	
49	Vested Sick Leave		357,668		357,668	
50	**Total (**carry forward to the TAXREC worksheet)		2,761,379	0	2,761,379	
51						
52	**End of Year:**					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts		100,000		100,000	
57	Inventory obsolescence				0	
58	Property taxes				0	
59	Post Employment Benefits		2,465,168		2,465,168	
60	Other - Please describe				0	
61	Vested Sick Leave		245,265		245,265	
62	Insert line above this line					
63	**Total (**carry forward to the TAXREC worksheet)		2,810,433	0	2,810,433	
64						

	A	B	C	D	E	F
1						
2	**PILs TAXES - EB-2008-381**	LINE	M of F	Non-wires	**Wires-only**	
3	**TAX RETURN RECONCILIATION (TAXREC 2)**		Corporate	Eliminations	**Tax**	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	
5	**RATEPAYERS ONLY**		Return			
6	**Shareholder-only Items should be shown on TAXREC 3**				**Version 2009.1**	
7						
8	**Utility Name: Waterloo North Hydro Inc.**					
9	**Reporting period: 2002**					
10	**Number of days in taxation year:**		365			
11	**Materiality Level:**		100,459			
12						
13						
14						
15	**Section C: Reconciliation of accounting income to taxable income**					
16	**Add:**					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22		+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36	Provision for bad debts	+			0	
37		+			0	
38		+			0	
39		+			0	
40	*Other Additions: (please explain in detail the nature of the item)*	+			0	
41		+			0	
42		+			0	
43		+			0	
44		+			0	
45		+				
46	Total Additions	=	0	0	0	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
56			0	0	0	
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68			0	0	0	
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	

	A	B	C	D	E	F
1						
2	**PILs TAXES - EB-2008-381**	LINE	M of F	Non-wires	**Wires-only**	
3	**TAX RETURN RECONCILIATION (TAXREC 2)**		Corporate	Eliminations	**Tax**	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	
5	**RATEPAYERS ONLY**		Return			
6	**Shareholder-only Items should be shown on TAXREC 3**				**Version 2009.1**	
7						
8	**Utility Name: Waterloo North Hydro Inc.**					
9	**Reporting period: 2002**					
10	**Number of days in taxation year:**		365			
11	**Materiality Level:**		100,459			
12						
13						
73			0	0	0	
74			0	0	0	
75			0	0	0	
76			0	0	0	
77	Total Material additions		0	0	0	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		0	0	0	

	A	B	C	D	E	F
1						
2	**PILs TAXES - EB-2008-381**	LINE	M of F	Non-wires	**Wires-only**	
3	**TAX RETURN RECONCILIATION (TAXREC 2)**		Corporate	Eliminations	**Tax**	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	
5	**RATEPAYERS ONLY**		Return			
6	**Shareholder-only Items should be shown on TAXREC 3**				**Version 2009.1**	
7						
8	**Utility Name: Waterloo North Hydro Inc.**					
9	**Reporting period: 2002**					
10	**Number of days in taxation year:**		365			
11	**Materiality Level:**		100,459			
12						
13						
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
83	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
86	Scientific research expenses claimed in year from Form T661	-			0	
87	Bad debts	-			0	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-			0	
92		-				
93		-			0	
94		-			0	
95	*Other deductions: (Please explain in detail the nature of the item)*	-			0	
96	Non-taxable load transfers	-			0	
97		-			0	
98		-			0	
99	Total Deductions	=	0	0	0	
100						
101	Recap of Material Deductions:					
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
107			0	0	0	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119	Total Deductions exceed materiality level		0	0	0	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		0	0	0	
122						

	A	B	C	D	E	F
1						
2	**PILs TAXES - EB-2008-381**					
3	**TAX RETURN RECONCILIATION (TAXREC 3)**					
4	**Shareholder-only Items should be shown on TAXREC 3**	LINE	M of F	Non-wires	**Wires-only**	
5	**ITEMS ON WHICH TRUE-UP DOES NOT APPLY**		Corporate	Eliminations	**Tax**	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	
7	**0**		Return			
8	**Utility Name: Waterloo North Hydro Inc.**				**Version 2009.1**	
9						
10						
11	**Reporting period: 2002**					
12	**Number of days in taxation year:**		365			
13						
14						
15						
16	**Section C: Reconciliation of accounting income to taxable income**					
17	**Add:**					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+	726,599		726,599	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+	9,442		9,442	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	**Donations - amount per books**				0	
36	Interest and penalties on unpaid taxes				0	
37	Management bonuses unpaid after 180 days of year end				0	
38	Imputed interest expense on Regulatory Assets				0	
39		+			0	
40	**Ontario capital tax adjustments**	+			0	
41	**Changes in Regulatory Asset balances**	+			0	
42		+			0	
43	*Other Additions: (please explain in detail the nature of the item)*	+			0	
44		+			0	
45		+			0	
46		+				
47	**Total Additions on which true-up does not apply**	=	736,041	0	736,041	
48						
49	**Deduct:**					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-	276,591		276,591	
55	Financing fee amorization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	**Donations - amount deductible for tax purposes**	-			0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60		-			0	
61		-			0	
62		-			0	
63		-			0	
64	**Ontario capital tax adjustments to current or prior year**	-			0	
65		-			0	
66	**Changes in Regulatory Asset balances**	-			0	
67		-			0	
68	*Other deductions: (Please explain in detail the nature of the item)*	-			0	
69	Reserve for Impairment of Regulatory Assets	-	1,572,623		1,572,623	
70		-			0	
71		-			0	
72		-			0	
73	**Total Deductions on which true-up does not apply**	=	1,849,214	0	1,849,214	
74						
75						

PILs TAXES - EB-2008-381
Corporate Tax Rates **Version 2009.1**
Exemptions, Deductions, or Thresholds

Utility Name: Waterloo North Hydro Inc.
Reporting period: 2002

Table 1

Rates Used in 2002 RAM PILs Applications for 2002

Income Range / RAM 2002	Year	0 to 200,000		200,001 to 700,000	>700,000
Income Tax Rate					
Proxy Tax Year	***2002***				
Federal (Includes surtax)		13.12%		26.12%	26.12%
and Ontario blended		6.00%		6.00%	12.50%
Blended rate		19.12%		34.12%	38.62%
Capital Tax Rate		0.300%			
LCT rate		0.225%			
Surtax		1.12%			
Ontario Capital Tax Exemption **	**MAX $5MM**	5,000,000			
Federal Large Corporations Tax Exemption **	**MAX $10MM**	10,000,000			

****Exemption amounts must agree with the Board-approved 2002 RAM PILs filing**

Table 2

Expected Income Tax Rates for 2002 and Capital Tax Exemptions for 2002

Income Range / Expected Rates	Year	0 to 200,000		200,001 to 700,000	>700,000
Income Tax Rate					
Current year	***2002***				
Federal (Includes surtax)	***2002***	13.12%		26.12%	26.12%
Ontario	***2002***	6.00%		6.00%	12.50%
Blended rate	***2002***	19.12%		32.12%	38.62%
Capital Tax Rate	***2002***	0.300%			
LCT rate	***2002***	0.225%			
Surtax	***2002***	1.12%			
Ontario Capital Tax Exemption * 2002**	**MAX $5MM**	5,000,000			
Federal Large Corporations Tax Exemption * 2002**	**MAX $10MM**	10,000,000			

****Allocation of exemptions must comply with the Board's instructions regarding regulated activities.**

Table 3

Input Information from Utility's Actual 2002 Tax Returns

Income Range	Year	0 to 200,000		200,001 to 700,000	>700,000
Income Tax Rate					
Current year	***2002***				
Federal (Includes surtax)		13.12%		22.12%	26.12%
Ontario		6.00%		9.75%	12.50%
Blended rate		19.12%		31.87%	38.62%
Capital Tax Rate		0.300%			
LCT rate		0.225%			
Surtax		1.12%			
Ontario Capital Tax Exemption *	**MAX $5MM**	4,987,909			
Federal Large Corporations Tax Exemption *	**MAX $10MM**	10,000,000			

*** Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36**

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	**PILs TAXES - EB-2008-381**														
2	**Analysis of PILs Tax Account 1562:**														
3	**Utility Name: Waterloo North Hydro Inc.**														**Version 2009.1**
4	**Reporting period: 2002**				**Sign Convention: + for increase; - for decrease**										**0**
5															
6															
7															
8	**Year start:**		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006		
9	**Year end:**		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		4/30/2006		Total
10															
11	**Opening balance:**	=	0		1,019,282		702,388		5,085,982		8,709,706		9,552,314		0
12	**Board-approved PILs tax proxy from Decisions (1)**	+/-	1,013,161		3,370,434		4,383,595		3,623,724		842,608		0		13,233,521
13	**PILs proxy from April 1, 2005 - input 9/12 of amount**														0
14	**True-up Variance Adjustment Q4, 2001 (2)**	+/-													0
15	**True-up Variance Adjustment (3)**	+/-			7,980								-40,749		-32,769
16	**Deferral Account Variance Adjustment Q4, 2001 (4)**														0
17	**Deferral Account Variance Adjustment (5)**	+/-											0		0
18	**Adjustments to reported prior years' variances (6)**	+/-													0
19	**Carrying charges (7)**	+/-	6,121		106,404										112,525
20	**PILs billed to (collected from) customers (8)**	-	0		-3,801,712										-3,801,712
21															
22	**Ending balance: # 1562**		1,019,282		702,388		5,085,982		8,709,706		9,552,314		9,511,565		9,511,565

Uncollected PILs

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

Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:

(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.
Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.
If the Board gave more than one decision in the year, calculate a weighted average proxy.
(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.
(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.
(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.
(v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.
(vi) Column M - The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.

(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconcilation.

(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.
The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.

(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.

(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.
The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.

(6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.

(7) Carrying charges are calculated on a simple interest basis.

(8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate components for Q4, 2001and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the 2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.
The 2005 PILs tax proxy is being recovered on a volumetric basis by class.

(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kWs, Kva) for the period (including net unbilled at period end), multiplied by the PILs volumetric proxy rates by class (from the Q4, 2001and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004; plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.

In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7, for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.

In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4, for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used to calculate the recovery for the period January 1 to March 31, 2005.

(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes will have to include amounts from 1562 and from 1590.

Attachment V

2003
SIMPIL Model
(Revised)

	A	B	C	D	E
1	**PILs TAXES - EB-2008-381**				**Version 2009.1**
2	**REGULATORY INFORMATION (REGINFO)**				
3	**Utility Name: Waterloo North Hydro Inc.**			Colour Code	
4	**Reporting period: 2003**			**Input Cell**	
5				**Formula in Cell**	
6	**Days in reporting period:**	365	days		
7	**Total days in the calendar year:**	365	days		
8					
9	**BACKGROUND**				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N		
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N		
16					
17	Is the utility a non-profit corporation?		Y/N		
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N		
20	shared among the corporate group?	LCT	Y/N		
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
23					
24	Accounting Year End		Date	12-31-2003	
25					
26	**MARR NO TAX CALCULATIONS**				**Regulatory**
27	**SHEET #7 FINAL RUD MODEL DATA**				**Income**
28	**(FROM 1999 FINANCIAL STATEMENTS)**				
29	**USE BOARD-APPROVED AMOUNTS**				
30					
31	Rate Base (wires-only)			80,367,575	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			6,883,483	
42					
43	1999 return from RUD Sheet #7			3,269,200	3,269,200
44					
45	Total Incremental revenue			3,614,283	
46	**Input: Board-approved dollar amounts phased-in**				
47	Amount allowed in 2001			1,204,761	1,204,761
48	Amount allowed in 2002			1,204,761	1,204,761
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210				0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM				0
52	Other Board-approved changes to MARR or incremental revenue				0
53					0
54	**Total Regulatory Income**				5,678,722
55					
56	Equity			40,183,788	
57					
58	Return at target ROE			3,970,158	
59					
60	Debt			40,183,788	
61					
62	Deemed interest amount in 100% of MARR			2,913,325	
63					
64	Phase-in of interest - Year 1 (2001)			1,893,533	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			2,403,429	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			2,403,429	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			2,913,325	
71					
72					

	A	B	C	D	E	F	G	H
1	**PILs TAXES - EB-2008-381**	**ITEM**	**Initial**		M of F	M of F	**Tax**	
2	**PILs DEFERRAL AND VARIANCE ACCOUNTS**		**Estimate**		Filing	Filing	**Returns**	
3	**TAX CALCULATIONS (TAXCALC)**				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	**0**						**Version 2009.1**	
6	**Utility Name: Waterloo North Hydro Inc.**							
7	**Reporting period: 2003**							
8							**Column**	
9	**Days in reporting period:**	365	days				**Brought**	
10	**Total days in the calendar year:**	365	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
14	**I) CORPORATE INCOME TAXES**							
15								
16	Regulatory Net Income REGINFO E53	1	5,678,722		2,572,604		8,251,326	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	***Additions:***							
20	Depreciation & Amortization	2	4,355,246		966,138		5,321,384	
21	Employee Benefit Plans - Accrued, Not Paid	3	1,202,368		-1,202,368		0	
22	Tax reserves - beginning of year	4			0		0	
23	Reserves from financial statements - end of year	4			2,983,812		2,983,812	
24	Regulatory Adjustments - increase in income	5			0		0	
25	Other Additions (See Tab entitled "TAXREC")							
26	"Material" Items from "TAXREC" worksheet	6			0		0	
27	Other Additions (not "Material") "TAXREC"	6			0		0	
28	"Material Items from "TAXREC 2" worksheet	6			0		0	
29	Other Additions (not "Material") "TAXREC 2"	6			0		0	
30	**Items on which true-up does not apply "TAXREC 3"**				572,643		572,643	
31								
32	***Deductions:*** ***Input positive numbers***							
33	Capital Cost Allowance and CEC	7	2,927,193		2,894,345		5,821,538	
34	Employee Benefit Plans - Paid Amounts	8	1,087,368		-1,087,368		0	
35	Items Capitalized for Regulatory Purposes	9	0		0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10			0		0	
37	Interest Expense Deemed/ Incurred	11	2,403,429		1,821,271		4,224,700	
38	Tax reserves - end of year	4			0		0	
39	Reserves from financial statements - beginning of year	4			2,810,433		2,810,433	
40	Contributions to deferred income plans	3			0		0	
41	Contributions to pension plans	3			0		0	
42	Interest capitalized for accounting but deducted for tax	11			0		0	
43	Other Deductions (See Tab entitled "TAXREC")							
44	"Material" Items from "TAXREC" worksheet	12			0		0	
45	Other Deductions (not "Material") "TAXREC"	12			0		0	
46	Material Items from "TAXREC 2" worksheet	12			0		0	
47	Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48	**Items on which true-up does not apply "TAXREC 3"**				50,507		50,507	
49								
50	TAXABLE INCOME/ (LOSS)		4,818,346		(596,359)		4,221,987	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%		-2.0017%		36.62%	
54								
55	REGULATORY INCOME TAX		1,860,845		-314,824	Actual	1,546,021	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59								
60	**Total Regulatory Income Tax**		1,860,845		-314,824	Actual	1,546,021	
61								
62								
63	**II) CAPITAL TAXES**							
64								
65	***Ontario***							
66	Base	15	80,367,575		31,022,153		111,389,728	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		-15,412		4,984,588	
68	Taxable Capital		75,367,575		31,006,741		106,405,140	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		226,103		93,113		319,215	
73								
74	***Federal Large Corporations Tax***							
75	Base	18	80,367,575		15,304,979		95,672,554	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		0		10,000,000	
77	Taxable Capital		70,367,575		15,304,979		85,672,554	
78								
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%		0.0000%		0.2250%	
80								
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		158,327		34,436		192,763	
82	Less: Federal Surtax 1.12% x Taxable Income	21	53,965		-6,679		47,286	
83								
84	Net LCT		104,362		41,115		145,477	
85								

	A	B	C	D	E	F	G	H
1	**PILs TAXES - EB-2008-381**	**ITEM**	**Initial**		M of F	M of F	**Tax**	
2	**PILs DEFERRAL AND VARIANCE ACCOUNTS**		**Estimate**		Filing	Filing	**Returns**	
3	**TAX CALCULATIONS (TAXCALC)**				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	**0**						**Version 2009.1**	
6	**Utility Name: Waterloo North Hydro Inc.**							
7	**Reporting period: 2003**							
8							**Column**	
9	**Days in reporting period:**	365	days				**Brought**	
10	**Total days in the calendar year:**	365	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
86	**III) INCLUSION IN RATES**							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		37.50%					
89								
90	Income Tax (proxy tax is grossed-up)	22	2,977,352			**Actual 2003**	1,546,021	
91	LCT (proxy tax is grossed-up)	23	166,979			**Actual 2003**	145,477	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	226,103			**Actual 2003**	319,215	
93								
94								
95	***Total PILs for Rate Adjustment -- MUST AGREE WITH 2002***	25	3,370,434			**Actual 2003**	2,010,713	
96	**RAM DECISION**							
97								
98								
99	***IV) FUTURE TRUE-UPS***							
100	**IV a) Calculation of the True-up Variance**				**DR/(CR)**			
101	***In Additions:***							
102	Employee Benefit Plans - Accrued, Not Paid	3			-1,202,368			
103	Tax reserves deducted in prior year	4			0			
104	Reserves from financial statements-end of year	4			2,983,812			
105	Regulatory Adjustments	5			0			
106	Other additions "Material" Items TAXREC	6			0			
107	Other additions "Material" Items TAXREC 2	6			0			
108	***In Deductions - positive numbers***							
109	Employee Benefit Plans - Paid Amounts	8			-1,087,368			
110	Items Capitalized for Regulatory Purposes	9			0			
111	Regulatory Adjustments	10			0			
112	Interest Adjustment for tax purposes **(See Below - cell I206)**	11			1,311,375			
113	Tax reserves claimed in current year	4			0			
114	Reserves from F/S beginning of year	4			2,810,433			
115	Contributions to deferred income plans	3			0			
116	Contributions to pension plans	3			0			
117	Other deductions "Material" Items TAXREC	12			0			
118	Other deductions "Material" Item TAXREC 2	12			0			
119								
120	Total TRUE-UPS before tax effect	26		=	-1,252,996			
121								
122	Income Tax Rate (excluding surtax) from **2003** Utility's tax return			x	36.62%			
123								
124	Income Tax Effect on True-up adjustments			=	-458,847			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				-458,847			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				35.50%			
131								
132	**TRUE-UP VARIANCE ADJUSTMENT**				**(711,391)**			
133								
134	**IV b) Calculation of the Deferral Account Variance caused by changes in legislation**							
135								
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	4,818,346			
137								
138	REVISED CORPORATE INCOME TAX RATE			x	36.62%			
139								
140	REVISED REGULATORY INCOME TAX			=	1,764,478			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	1,764,478			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	1,860,845			
147								
148	Regulatory Income Tax Variance			=	(96,367)			
149								

	A	B	C	D	E	F	G	H
1	**PILs TAXES - EB-2008-381**	**ITEM**	**Initial**		M of F	M of F	**Tax**	
2	**PILs DEFERRAL AND VARIANCE ACCOUNTS**		**Estimate**		Filing	Filing	**Returns**	
3	**TAX CALCULATIONS (TAXCALC)**				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	**0**						**Version 2009.1**	
6	**Utility Name: Waterloo North Hydro Inc.**							
7	**Reporting period: 2003**							
8							**Column**	
9	**Days in reporting period:**	365	days				**Brought**	
10	**Total days in the calendar year:**	365	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
150	**Ontario Capital Tax**							
151	Base			=	80,367,575			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	75,367,575			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	226,103			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	226,103			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	**Federal LCT**							
162	Base				80,367,575			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	10,000,000			
164	Revised Federal LCT			=	70,367,575			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2250%			
167								
168	Gross Amount				158,327			
169	Less: Federal surtax			-	53,965			
170	Revised Net LCT			=	104,362			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C84)			-	104,362			
173	Regulatory Federal LCT Variance			=	0			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				35.50%			
176								
177	**Income Tax (grossed-up)**			+	(149,406)			
178	**LCT (grossed-up)**			+	0			
179	**Ontario Capital Tax**			+	0			
180								
181	**DEFERRAL ACCOUNT VARIANCE ADJUSTMENT**			=	**(149,406)**			
182								
183	**TRUE-UP VARIANCE (from cell I132)**			+	**(711,391)**			
184								
185	**Total Deferral Account Entry (Positive Entry = Debit)**			=	**(860,797)**			
186	*(Deferral Account Variance + True-up Variance)*							
187								
188								
189								
190	**V) INTEREST PORTION OF TRUE-UP**							
191	**Variance Caused By Phase-in of Deemed Debt**							
192								
193	Total deemed interest (REGINFO)				2,913,325			
194	Interest phased-in (Cell C36)				2,403,429			
195								
196	Variance due to phase-in of debt component of MARR in rates				509,896			
197	according to the Board's decision							
198								
199	**Other Interest Variances (i.e. Borrowing Levels**							
200	**Above Deemed Debt per Rate Handbook)**							
201	Interest deducted on MoF filing (Cell K36+K41)				4,224,700			
202	Total Deemed Interest (REGINFO Cell D62)				2,913,325			
203								
204	Variance caused by excess debt				1,311,375			
205								
206	**Interest Adjustment for Tax Purposes (carry forward to Cell I112)**				1,311,375			
207								
208	**Total Interest Variance**				-801,480			
209								
210								
211								

	A	B	C	D	E	F
1	**PILs TAXES - EB-2008-381**	**LINE**	**M of F**	Non-wires	**Wires-only**	
2	**TAX RETURN RECONCILIATION (TAXREC)**		**Corporate**	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		**Tax**		**Return**	
4	**0**		**Return**			
5					**Version 2009.1**	
6	**Section A: Identification:**					
7	**Utility Name: Waterloo North Hydro Inc.**					
8	**Reporting period: 2003**					
9	**Taxation Year's start date:**					
10	**Taxation Year's end date:**					
11	**Number of days in taxation year:**		365	days		
12						
13	**Please enter the Materiality Level :**		100,459	< - enter materiality level		
14	**(0.25% x Rate Base x CER)**	Y/N				
15	**(0.25% x Net Assets)**	Y/N				
16	**Or other measure (please provide the basis of the amount)**	Y/N				
17	**Does the utility carry on non-wires related operation?**	Y/N				
18	**(Please complete the questionnaire in the Background questionnaire worksheet.)**					
19						
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
22	**Section B: Financial statements data:**					
23	*Input unconsolidated financial statement data submitted with Tax returns.*					
24	*The actual categories of the income statements should be used.*					
25	*If required please change the descriptions except for amortization, interest expense and provision for income tax*					
26						
27	*Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts*					
28	*in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.*					
29						
30	**Income:**					
31	Energy Sales	+	84,250,573		84,250,573	
32	Distribution Revenue	+	21,623,743		21,623,743	
33	Other Income	+	908,591		908,591	
34	Miscellaneous income	+	102,716		102,716	
35		+			0	
36	Revenue should be entered above this line					
37						
38	**Costs and Expenses:**					
39	Cost of energy purchased	-	84,250,573		84,250,573	
40	Administration	-	1,158,382		1,158,382	
41	Customer billing and collecting	-	2,277,874		2,277,874	
42	Operations and maintenance	-	5,324,026		5,324,026	
43	Amortization	-	5,321,384		5,321,384	
44	Ontario Capital Tax	-	302,058		302,058	
45		-			0	
46		-			0	
47		-			0	
48		-			0	
49						
50	**Net Income Before Interest & Income Taxes EBIT**	=	8,251,326	0	8,251,326	
51	Less: Interest expense for accounting purposes	-	4,224,700		4,224,700	
52	Provision for payments in lieu of income taxes	-	1,702,060		1,702,060	
53	**Net Income (loss)**	=	2,324,566	0	2,324,566	
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return.)					
55						
56	**Section C: Reconciliation of accounting income to taxable income**					
57	***From T2 Schedule 1***					
58	**BOOK TO TAX ADDITIONS:**					
59	Provision for income tax	+	1,702,060	0	1,702,060	
60	Federal large corporation tax	+			0	
61	Depreciation & Amortization	+	5,321,384	0	5,321,384	
62	Employee benefit plans-accrued, not paid	+		0	0	
63	Tax reserves - beginning of year	+	0	0	0	
64	Reserves from financial statements- end of year	+	2,983,812	0	2,983,812	
65	Regulatory adjustments on which true-up may apply (see A66)	+			0	
66	***Items on which true-up does not apply "TAXREC 3"***		572,643	0	572,643	
67	Material addition items from TAXREC 2	+	0	0	0	

	A	B	C	D	E	F
1	**PILs TAXES - EB-2008-381**	**LINE**	**M of F**	Non-wires	**Wires-only**	
2	**TAX RETURN RECONCILIATION (TAXREC)**		**Corporate**	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		**Tax**		**Return**	
4	**0**		**Return**			
5					**Version 2009.1**	
68	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69						
70	*Subtotal*		10,579,899	0	10,579,899	
71						
72	*Other Additions: (Please explain the nature of the additions)*					
73	Recapture of CCA	+			0	
74	Non-deductible meals and entertainment expense	+			0	
75	Capital items expensed	+			0	
76		+	0		0	
77		+			0	
78		+			0	
79		+			0	
80	*Total Other Additions*	=	0	0	0	
81						
82	Total Additions	=	10,579,899	0	10,579,899	
83						
84	Recap Material Additions:					
85			0	0	0	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91			0	0	0	
92	*Total Other additions >materiality level*		0	0	0	
93	Other additions (less than materiality level)		0	0	0	
94	Total Other Additions		0	0	0	
95						
96	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	5,821,538		5,821,538	
98	Cumulative eligible capital deduction	-			0	
99	Employee benefit plans-paid amounts	-			0	
100	Items capitalized for regulatory purposes	-			0	
101	*Regulatory adjustments :*	-			0	
102	*CCA*	-			0	
103	*other deductions*	-			0	
104	*Tax reserves - end of year*	-	0	0	0	
105	*Reserves from financial statements- beginning of year*	-	2,810,433	0	2,810,433	
106	*Contributions to deferred income plans*	-			0	
107	*Contributions to pension plans*	-			0	
108	***Items on which true-up does not apply "TAXREC 3"***		50,507	0	50,507	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	0	0	0	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	8,682,478	0	8,682,478	
114	*Other deductions (Please explain the nature of the deductions)*					
115	**Charitable donations - tax basis**	-			0	
116	*Gain on disposal of assets*	-			0	
117		-			0	
118					0	
119		-			0	
120	*Total Other Deductions*	=	0	0	0	
121						
122	Total Deductions	=	8,682,478	0	8,682,478	
123						
124	Recap Material Deductions:					
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130	*Total Other Deductions exceed materiality level*		0	0	0	

	A	B	C	D	E	F
1	**PILs TAXES - EB-2008-381**	**LINE**	**M of F**	Non-wires	**Wires-only**	
2	**TAX RETURN RECONCILIATION (TAXREC)**		**Corporate**	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		**Tax**		**Return**	
4	**0**		**Return**			
5					**Version 2009.1**	
131	Other Deductions less than materiality level		0	0	0	
132	Total Other Deductions		0	0	0	
133						
134	TAXABLE INCOME	=	4,221,987	0	4,221,987	
135	DEDUCT:					
136	Non-capital loss applied positive number	-	0		0	
137	Net capital loss applied positive number	-			0	
138					0	
139	NET TAXABLE INCOME	=	4,221,987	0	4,221,987	
140						
141	**FROM ACTUAL TAX RETURNS**					
142	Net Federal Income Tax (Must agree with tax return)	+	1,018,343		1,018,343	
143	Net Ontario Income Tax (Must agree with tax return)	+	527,678		527,678	
144	Subtotal	=	1,546,021	0	1,546,021	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0	
146	**Total Income Tax**	=	1,546,021	0	1,546,021	
147						
148	**FROM ACTUAL TAX RETURNS**					
149	Net Federal Income Tax Rate (Must agree with tax return)		24.12%		24.12%	
150	Net Ontario Income Tax Rate (Must agree with tax return)		12.50%		12.50%	
151	Blended Income Tax Rate		36.62%		36.62%	
152						
153	**Section F: Income and Capital Taxes**					
154						
155	**RECAP**					
156	Total Income Taxes	+	1,546,021	0	1,546,021	
157	Ontario Capital Tax	+	319,215		319,215	
158	Federal Large Corporations Tax	+	145,477		145,477	
159						
160	**Total income and capital taxes**	=	2,010,713	0	2,010,713	
161						

	A	B	C	D	E	F
1	**PILs TAXES - EB-2008-381**	LINE	M of F	Non-wires	**Wires-only**	
2	**Tax and Accounting Reserves**		Corporate	Eliminations	**Tax**	
3	For MoF Column of TAXCALC		Tax		**Return**	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	**0**				**Version 2009.1**	
6						
7	**Utility Name: Waterloo North Hydro Inc.**					
8	**Reporting period: 2003**					
9						
10	**TAX RESERVES**					
11						
12	**Beginning of Year:**					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	**Total (**carry forward to the TAXREC worksheet)		0	0	0	
23						
24	**End of Year:**					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	**Total (**carry forward to the TAXREC worksheet)		0	0	0	
36						
37						
38	**FINANCIAL STATEMENT RESERVES**					
39						
40	**Beginning of Year:**					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts		100,000		100,000	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	Post Employment Benefits		2,465,168		2,465,168	
48	Other - Please describe				0	
49	Vested Sick Leave		245,265		245,265	
50	**Total (**carry forward to the TAXREC worksheet)		2,810,433	0	2,810,433	
51						
52	**End of Year:**					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts		104,000		104,000	
57	Inventory obsolescence				0	
58	Property taxes				0	
59	Post Employment Benefits		2,645,997		2,645,997	
60	Other - Please describe				0	
61	Vested Sick Leave		233,815		233,815	
62	Insert line above this line					
63	**Total (**carry forward to the TAXREC worksheet)		2,983,812	0	2,983,812	
64						

	A	B	C	D	E	F
1						
2	**PILs TAXES - EB-2008-381**	LINE	M of F	Non-wires	**Wires-only**	
3	**TAX RETURN RECONCILIATION (TAXREC 2)**		Corporate	Eliminations	**Tax**	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	
5	**RATEPAYERS ONLY**		Return			
6	**Shareholder-only Items should be shown on TAXREC 3**				**Version 2009.1**	
7						
8	**Utility Name: Waterloo North Hydro Inc.**					
9	**Reporting period: 2003**					
10	**Number of days in taxation year:**		365			
11	**Materiality Level:**		100,459			
12						
13						
14						
15	**Section C: Reconciliation of accounting income to taxable income**					
16	**Add:**					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22		+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36	Provision for bad debts	+			0	
37		+			0	
38		+			0	
39		+			0	
40	*Other Additions: (please explain in detail the nature of the item)*	+			0	
41		+			0	
42		+			0	
43		+			0	
44		+			0	
45		+				
46	Total Additions	=	0	0	0	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
56			0	0	0	
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	
68			0	0	0	

	A	B	C	D	E	F
1						
2	**PILs TAXES - EB-2008-381**	LINE	M of F	Non-wires	**Wires-only**	
3	**TAX RETURN RECONCILIATION (TAXREC 2)**		Corporate	Eliminations	**Tax**	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	
5	**RATEPAYERS ONLY**		Return			
6	**Shareholder-only Items should be shown on TAXREC 3**				**Version 2009.1**	
7						
8	**Utility Name: Waterloo North Hydro Inc.**					
9	**Reporting period: 2003**					
10	**Number of days in taxation year:**		365			
11	**Materiality Level:**		100,459			
12						
13						
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	
75			0	0	0	
76			0	0	0	
77	Total Material additions		0	0	0	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		0	0	0	

	A	B	C	D	E	F
1						
2	**PILs TAXES - EB-2008-381**	LINE	M of F	Non-wires	**Wires-only**	
3	**TAX RETURN RECONCILIATION (TAXREC 2)**		Corporate	Eliminations	**Tax**	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	
5	**RATEPAYERS ONLY**		Return			
6	**Shareholder-only Items should be shown on TAXREC 3**				**Version 2009.1**	
7						
8	**Utility Name: Waterloo North Hydro Inc.**					
9	**Reporting period: 2003**					
10	**Number of days in taxation year:**		365			
11	**Materiality Level:**		100,459			
12						
13						
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
83	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
86	Scientific research expenses claimed in year from Form T661	-			0	
87	Bad debts	-			0	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-			0	
92		-				
93		-			0	
94		-			0	
95	*Other deductions: (Please explain in detail the nature of the item)*	-			0	
96	Non-taxable load transfers	-	0		0	
97		-			0	
98		-			0	
99	Total Deductions	=	0	0	0	
100						
101	Recap of Material Deductions:					
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
107			0	0	0	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119	Total Deductions exceed materiality level		0	0	0	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		0	0	0	
122						

	A	B	C	D	E	F
1						
2	**PILs TAXES - EB-2008-381**					
3	**TAX RETURN RECONCILIATION (TAXREC 3)**					
4	**Shareholder-only Items should be shown on TAXREC 3**	LINE	M of F	Non-wires	**Wires-only**	
5	**ITEMS ON WHICH TRUE-UP DOES NOT APPLY**		Corporate	Eliminations	**Tax**	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	
7	**0**		Return			
8	**Utility Name: Waterloo North Hydro Inc.**				**Version 2009.1**	
9						
10						
11	**Reporting period: 2003**					
12	**Number of days in taxation year:**		365			
13						
14						
15						
16	**Section C: Reconciliation of accounting income to taxable income**					
17	**Add:**					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+	563,413		563,413	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+	8,670		8,670	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	**Donations - amount per books**				0	
36	Interest and penalties on unpaid taxes				0	
37	Management bonuses unpaid after 180 days of year end				0	
38	Imputed interest expense on Regulatory Assets				0	
39		+			0	
40	**Ontario capital tax adjustments**	+			0	
41	**Changes in Regulatory Asset balances**	+			0	
42		+			0	
43	*Other Additions: (please explain in detail the nature of the item)*	+			0	
44	Political Donations	+	560		560	
45		+			0	
46		+				
47	**Total Additions on which true-up does not apply**	=	572,643	0	572,643	
48						
49	**Deduct:**					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-	50,507		50,507	
55	Financing fee amorization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	**Donations - amount deductible for tax purposes**	-			0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60		-			0	
61		-			0	
62		-			0	
63		-			0	
64	**Ontario capital tax adjustments to current or prior year**	-			0	
65		-			0	
66	**Changes in Regulatory Asset balances**	-			0	
67		-			0	
68	*Other deductions: (Please explain in detail the nature of the item)*	-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	
73	**Total Deductions on which true-up does not apply**	=	50,507	0	50,507	
74						
75						

PILs TAXES - EB-2008-381
Corporate Tax Rates **Version 2009.1**
Exemptions, Deductions, or Thresholds

Utility Name: Waterloo North Hydro Inc.
Reporting period: 2003

Table 1

Rates Used in 2002 RAM PILs Applications for 2002

Income Range / RAM 2002	Year	0 to 200,000		200,001 to 700,000	>700000
Income Tax Rate					
Proxy Tax Year	*2002*				
Federal (Includes surtax)		13.12%		26.12%	26.12%
and Ontario blended		6.00%		6.00%	12.50%
Blended rate		19.12%		34.12%	38.62%
Capital Tax Rate		0.300%			
LCT rate		0.225%			
Surtax		1.12%			
Ontario Capital Tax Exemption **	MAX $5MM	5,000,000			
Federal Large Corporations Tax Exemption **	MAX $10MM	10,000,000			

****Exemption amounts must agree with the Board-approved 2002 RAM PILs filing**

Table 2

Expected Income Tax Rates for 2003 and Capital Tax Exemptions for 2003

Income Range / Expected Rates	Year	0 to 200,000		200,001 to 700,000	>700000
Income Tax Rate					
Current year	*2003*				
Federal (Includes surtax)	*2003*	13.12%			24.12%
Ontario	*2003*	6.00%			12.50%
Blended rate	*2003*	19.12%		34.12%	36.62%
Capital Tax Rate	*2003*	0.300%			
LCT rate	*2003*	0.225%			
Surtax	*2003*	1.12%			
Ontario Capital Tax Exemption *** 2003	MAX $5MM	5,000,000			
Federal Large Corporations Tax Exemption *** 2003	MAX $10MM	10,000,000			

*****Allocation of exemptions must comply with the Board's instructions regarding regulated activities.**

Table 3

Input Information from Utility's Actual 2003 Tax Returns

Income Range	Year	0 to 200,000		200,001 to 700,000	>700,000
Income Tax Rate					
Current year	*2003*				
Federal (Includes surtax)		13.12%		0.00%	24.12%
Ontario		6.00%		0.00%	12.50%
Blended rate		19.12%		0.00%	36.62%
Capital Tax Rate		0.300%			
LCT rate		0.225%			
Surtax		1.12%			
Ontario Capital Tax Exemption *	MAX $5MM	4,984,588			
Federal Large Corporations Tax Exemption *	MAX $10MM	10,000,000			

*** Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36**

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	**PILs TAXES - EB-2008-381**														
2	**Analysis of PILs Tax Account 1562:**														
3	**Utility Name: Waterloo North Hydro Inc.**														**Version 2009.1**
4	**Reporting period: 2003**				**Sign Convention: + for increase; - for decrease**										**0**
5															
6															
7															
8	**Year start:**		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006		
9	**Year end:**		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		4/30/2006		Total
10															
11	**Opening balance:**	=	0		1,019,282		702,388		594,206		4,217,930		5,060,538		0
12	**Board-approved PILs tax proxy from Decisions (1)**	+/-	1,013,161		3,370,434		4,383,595		3,623,724		842,609		0		13,233,523
13	**PILs proxy from April 1, 2005 - input 9/12 of amount**														0
14	**True-up Variance Adjustment Q4, 2001 (2)**	+/-													0
15	**True-up Variance Adjustment (3)**	+/-			7,980		-40,749						-711,391		-744,160
16	**Deferral Account Variance Adjustment Q4, 2001 (4)**														0
17	**Deferral Account Variance Adjustment (5)**	+/-											-149,406		-149,406
18	**Adjustments to reported prior years' variances (6)**	+/-													0
19	**Carrying charges (7)**	+/-	6,121		106,404		69,532								182,057
20	**PILs billed to (collected from) customers (8)**	-	0		-3,801,712		-4,520,560								-8,322,272
21															
22	**Ending balance: # 1562**		1,019,282		702,388		594,206		4,217,930		5,060,538		4,199,741		4,199,741

Uncollected PILs

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

Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:

(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.
Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.
If the Board gave more than one decision in the year, calculate a weighted average proxy.
(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.
(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.
(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.
(v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.
(vi) Column M - The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.

(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconcilation.

(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.
The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.

(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.

(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.
The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.

(6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.

(7) Carrying charges are calculated on a simple interest basis.

(8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate components for Q4, 2001and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the 2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.
The 2005 PILs tax proxy is being recovered on a volumetric basis by class.

(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kWs, Kva) for the period (including net unbilled at period end), multiplied by the PILs volumetric proxy rates by class (from the Q4, 2001and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004; plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.

In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7, for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.

In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4, for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used to calculate the recovery for the period January 1 to March 31, 2005.

(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes will have to include amounts from 1562 and from 1590.

Attachment W

2004
SIMPIL Model
(Revised)

	A	B	C	D	E
1	**PILs TAXES - EB-2008-381**				**Version 2009.1**
2	**REGULATORY INFORMATION (REGINFO)**				
3	**Utility Name: Waterloo North Hydro Inc.**			Colour Code	
4	**Reporting period: 2004**			**Input Cell**	
5				**Formula in Cell**	
6	**Days in reporting period:**	366	days		
7	**Total days in the calendar year:**	366	days		
8					
9	**BACKGROUND**				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N		
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N		
16					
17	Is the utility a non-profit corporation?		Y/N		
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N		
20	shared among the corporate group?	LCT	Y/N		
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
23					
24	Accounting Year End		Date	12-31-2004	
25					
26	**MARR NO TAX CALCULATIONS**				**Regulatory**
27	**SHEET #7 FINAL RUD MODEL DATA**				**Income**
28	**(FROM 1999 FINANCIAL STATEMENTS)**				
29	**USE BOARD-APPROVED AMOUNTS**				
30					
31	Rate Base (wires-only)			80,367,575	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			6,883,483	
42					
43	1999 return from RUD Sheet #7			3,269,200	3,269,200
44					
45	Total Incremental revenue			3,614,283	
46	**Input: Board-approved dollar amounts phased-in**				
47	Amount allowed in 2001			1,204,761	1,204,761
48	Amount allowed in 2002			1,204,761	1,204,761
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210				0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in 2005 - Third tranche of MARR re: CDM				0
52	Other Board-approved changes to MARR or incremental revenue				0
53					0
54	**Total Regulatory Income**				5,678,722
55					
56	Equity			40,183,788	
57					
58	Return at target ROE			3,970,158	
59					
60	Debt			40,183,788	
61					
62	Deemed interest amount in 100% of MARR			2,913,325	
63					
64	Phase-in of interest - Year 1 (2001)			1,893,533	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			2,403,429	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			2,403,429	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			2,913,325	
71					
72					

	A	B	C	D	E	F	G	H
1	**PILs TAXES - EB-2008-381**	**ITEM**	**Initial**		M of F	M of F	**Tax**	
2	**PILs DEFERRAL AND VARIANCE ACCOUNTS**		**Estimate**		Filing	Filing	**Returns**	
3	**TAX CALCULATIONS (TAXCALC)**				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	**0**						**Version 2009.1**	
6	**Utility Name: Waterloo North Hydro Inc.**							
7	**Reporting period: 2004**							
8							**Column**	
9	**Days in reporting period:**	366	days				**Brought**	
10	**Total days in the calendar year:**	366	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
14	**I) CORPORATE INCOME TAXES**							
15								
16	Regulatory Net Income REGINFO E53	1	5,678,722		2,627,673		8,306,395	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	***Additions:***							
20	Depreciation & Amortization	2	4,355,246		1,113,304		5,468,550	
21	Employee Benefit Plans - Accrued, Not Paid	3	1,202,368		-1,202,368		0	
22	Tax reserves - beginning of year	4			0		0	
23	Reserves from financial statements - end of year	4			3,141,233		3,141,233	
24	Regulatory Adjustments - increase in income	5			0		0	
25	Other Additions (See Tab entitled "TAXREC")							
26	"Material" Items from "TAXREC" worksheet	6			0		0	
27	Other Additions (not "Material") "TAXREC"	6			0		0	
28	"Material Items from "TAXREC 2" worksheet	6			0		0	
29	Other Additions (not "Material") "TAXREC 2"	6			0		0	
30	**Items on which true-up does not apply "TAXREC 3"**				564,103		564,103	
31								
32	***Deductions:*** ***Input positive numbers***							
33	Capital Cost Allowance and CEC	7	2,927,193		2,869,077		5,796,270	
34	Employee Benefit Plans - Paid Amounts	8	1,087,368		-1,087,368		0	
35	Items Capitalized for Regulatory Purposes	9	0		0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10			0		0	
37	Interest Expense Deemed/ Incurred	11	2,403,429		923,326		3,326,755	
38	Tax reserves - end of year	4			0		0	
39	Reserves from financial statements - beginning of year	4			2,983,812		2,983,812	
40	Contributions to deferred income plans	3			0		0	
41	Contributions to pension plans	3			0		0	
42	Interest capitalized for accounting but deducted for tax	11			0		0	
43	Other Deductions (See Tab entitled "TAXREC")							
44	"Material" Items from "TAXREC" worksheet	12			0		0	
45	Other Deductions (not "Material") "TAXREC"	12			0		0	
46	Material Items from "TAXREC 2" worksheet	12			0		0	
47	Other Deductions (not "Material") "TAXREC 2"	12			0		0	
48	**Items on which true-up does not apply "TAXREC 3"**				24,808		24,808	
49								
50	TAXABLE INCOME/ (LOSS)		4,818,346		530,290		5,348,636	
51								
52	BLENDED INCOME TAX RATE							
53	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	38.62%		-2.5000%		36.12%	
54								
55	REGULATORY INCOME TAX		1,860,845		71,082	Actual	1,931,927	
56								
57								
58	Miscellaneous Tax Credits	14			0	Actual	0	
59								
60	**Total Regulatory Income Tax**		1,860,845		71,082	Actual	1,931,927	
61								
62								
63	**II) CAPITAL TAXES**							
64								
65	***Ontario***							
66	Base	15	80,367,575		28,094,676		108,462,251	
67	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	5,000,000		0		5,000,000	
68	Taxable Capital		75,367,575		28,094,676		103,462,251	
69								
70	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
71								
72	Ontario Capital Tax		226,103		84,284		310,387	
73								
74	***Federal Large Corporations Tax***							
75	Base	18	80,367,575		12,268,361		92,635,936	
76	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	10,000,000		39,979,597		49,979,597	
77	Taxable Capital		70,367,575		52,247,958		42,656,339	
78								
79	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.2250%		-0.0250%		0.2000%	
80								
81	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		158,327		-73,014		85,313	
82	Less: Federal Surtax 1.12% x Taxable Income	21	53,965		5,939		59,905	
83								
84	Net LCT		104,362		-78,954		25,408	
85								

	A	B	C	D	E	F	G	H
1	**PILs TAXES - EB-2008-381**	**ITEM**	**Initial**		M of F	M of F	**Tax**	
2	**PILs DEFERRAL AND VARIANCE ACCOUNTS**		**Estimate**		Filing	Filing	**Returns**	
3	**TAX CALCULATIONS (TAXCALC)**				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	**0**						**Version 2009.1**	
6	**Utility Name: Waterloo North Hydro Inc.**							
7	**Reporting period: 2004**							
8							**Column**	
9	**Days in reporting period:**	366	days				**Brought**	
10	**Total days in the calendar year:**	366	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
86	**III) INCLUSION IN RATES**							
87								
88	Income Tax Rate used for gross- up (exclude surtax)		37.50%					
89								
90	Income Tax (proxy tax is grossed-up)	22	2,977,353			**Actual 2004**	1,931,927	
91	LCT (proxy tax is grossed-up)	23	166,979			**Actual 2004**	25,408	
92	Ontario Capital Tax (no gross-up since it is deductible)	24	226,103			**Actual 2004**	310,387	
93								
94								
95	***Total PILs for Rate Adjustment -- MUST AGREE WITH 2002***	25	3,370,434			**Actual 2004**	2,267,721	
96	**RAM DECISION**							
97								
98								
99	***IV) FUTURE TRUE-UPS***							
100	**IV a) Calculation of the True-up Variance**				**DR/(CR)**			
101	***In Additions:***							
102	Employee Benefit Plans - Accrued, Not Paid	3			-1,202,368			
103	Tax reserves deducted in prior year	4			0			
104	Reserves from financial statements-end of year	4			3,141,233			
105	Regulatory Adjustments	5			0			
106	Other additions "Material" Items TAXREC	6			0			
107	Other additions "Material" Items TAXREC 2	6			0			
108	***In Deductions - positive numbers***							
109	Employee Benefit Plans - Paid Amounts	8			-1,087,368			
110	Items Capitalized for Regulatory Purposes	9			0			
111	Regulatory Adjustments	10			0			
112	Interest Adjustment for tax purposes **(See Below - cell I206)**	11			413,430			
113	Tax reserves claimed in current year	4			0			
114	Reserves from F/S beginning of year	4			2,983,812			
115	Contributions to deferred income plans	3			0			
116	Contributions to pension plans	3			0			
117	Other deductions "Material" Items TAXREC	12			0			
118	Other deductions "Material" Item TAXREC 2	12			0			
119								
120	Total TRUE-UPS before tax effect	26		=	-371,009			
121								
122	Income Tax Rate (excluding surtax) from **2004** Utility's tax return			x	36.12%			
123								
124	Income Tax Effect on True-up adjustments			=	-134,009			
125								
126	Less: Miscellaneous Tax Credits	14			0			
127								
128	Total Income Tax on True-ups				-134,009			
129								
130	Income Tax Rate used for gross-up (exclude surtax)				35.00%			
131								
132	**TRUE-UP VARIANCE ADJUSTMENT**				**(206,167)**			
133								
134	**IV b) Calculation of the Deferral Account Variance caused by changes in legislation**							
135								
136	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	4,818,346			
137								
138	REVISED CORPORATE INCOME TAX RATE			x	36.12%			
139								
140	REVISED REGULATORY INCOME TAX			=	1,740,387			
141								
142	Less: Revised Miscellaneous Tax Credits			-	0			
143								
144	Total Revised Regulatory Income Tax			=	1,740,387			
145								
146	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	1,860,845			
147								
148	Regulatory Income Tax Variance			=	(120,459)			
149								

	A	B	C	D	E	F	G	H
1	**PILs TAXES - EB-2008-381**	**ITEM**	**Initial**		M of F	M of F	**Tax**	
2	**PILs DEFERRAL AND VARIANCE ACCOUNTS**		**Estimate**		Filing	Filing	**Returns**	
3	**TAX CALCULATIONS (TAXCALC)**				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	**0**						**Version 2009.1**	
6	**Utility Name: Waterloo North Hydro Inc.**							
7	**Reporting period: 2004**							
8							**Column**	
9	**Days in reporting period:**	366	days				**Brought**	
10	**Total days in the calendar year:**	366	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
150	**Ontario Capital Tax**							
151	Base			=	80,367,575			
152	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	5,000,000			
153	Revised deemed taxable capital			=	75,367,575			
154								
155	Rate - Tab Tax Rates cell C54			x	0.3000%			
156								
157	Revised Ontario Capital Tax			=	226,103			
158	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	226,103			
159	Regulatory Ontario Capital Tax Variance			=	0			
160								
161	**Federal LCT**							
162	Base				80,367,575			
163	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	50,000,000			
164	Revised Federal LCT			=	30,367,575			
165								
166	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.2000%			
167								
168	Gross Amount				60,735			
169	Less: Federal surtax			-	53,965			
170	Revised Net LCT			=	6,770			
171								
172	Less: Federal LCT reported in the initial estimate column (Cell C84)			-	104,362			
173	Regulatory Federal LCT Variance			=	(97,592)			
174								
175	Actual Income Tax Rate used for gross-up (exclude surtax)				35.00%			
176								
177	**Income Tax (grossed-up)**			+	(185,321)			
178	**LCT (grossed-up)**			+	(150,141)			
179	**Ontario Capital Tax**			+	0			
180								
181	**DEFERRAL ACCOUNT VARIANCE ADJUSTMENT**			=	**(335,462)**			
182								
183	**TRUE-UP VARIANCE (from cell I132)**			+	**(206,167)**			
184								
185	**Total Deferral Account Entry (Positive Entry = Debit)**			=	**(541,629)**			
186	*(Deferral Account Variance + True-up Variance)*							
187								
188								
189								
190	**V) INTEREST PORTION OF TRUE-UP**							
191	**Variance Caused By Phase-in of Deemed Debt**							
192								
193	Total deemed interest (REGINFO)				2,913,325			
194	Interest phased-in (Cell C36)				2,403,429			
195								
196	Variance due to phase-in of debt component of MARR in rates				509,896			
197	according to the Board's decision							
198								
199	**Other Interest Variances (i.e. Borrowing Levels**							
200	**Above Deemed Debt per Rate Handbook)**							
201	Interest deducted on MoF filing (Cell K36+K41)				3,326,755			
202	Total Deemed Interest (REGINFO Cell D62)				2,913,325			
203								
204	Variance caused by excess debt				413,430			
205								
206	**Interest Adjustment for Tax Purposes (carry forward to Cell I112)**				413,430			
207								
208	**Total Interest Variance**				96,465			
209								
210								
211								

	A	B	C	D	E	F
1	**PILs TAXES - EB-2008-381**	**LINE**	**M of F**	Non-wires	**Wires-only**	
2	**TAX RETURN RECONCILIATION (TAXREC)**		**Corporate**	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		**Tax**		**Return**	
4	**0**		**Return**			
5					**Version 2009.1**	
6	**Section A: Identification:**					
7	**Utility Name: Waterloo North Hydro Inc.**					
8	**Reporting period: 2004**					
9	**Taxation Year's start date:**					
10	**Taxation Year's end date:**					
11	**Number of days in taxation year:**		366	days		
12						
13	**Please enter the Materiality Level :**		100,459	< - enter materiality level		
14	**(0.25% x Rate Base x CER)**	Y/N				
15	**(0.25% x Net Assets)**	Y/N				
16	**Or other measure (please provide the basis of the amount)**	Y/N				
17	**Does the utility carry on non-wires related operation?**	Y/N				
18	**(Please complete the questionnaire in the Background questionnaire worksheet.)**					
19						
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K					
21						
22	**Section B: Financial statements data:**					
23	*Input unconsolidated financial statement data submitted with Tax returns.*					
24	*The actual categories of the income statements should be used.*					
25	*If required please change the descriptions except for amortization, interest expense and provision for income tax*					
26						
27	*Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts*					
28	*in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.*					
29						
30	**Income:**					
31	Energy Sales	+	86,255,158		86,255,158	
32	Distribution Revenue	+	22,033,560		22,033,560	
33	Other Income	+	1,135,187	778,129	357,058	
34	Miscellaneous income	+			0	
35		+			0	
36	Revenue should be entered above this line					
37						
38	**Costs and Expenses:**					
39	Cost of energy purchased	-	86,255,158		86,255,158	
40	Administration	-	1,600,686		1,600,686	
41	Customer billing and collecting	-	2,210,445	778,129	1,432,316	
42	Operations and maintenance	-	5,044,549		5,044,549	
43	Amortization	-	5,468,550		5,468,550	
44	Ontario Capital Tax	-	307,777		307,777	
45	Community Relations	-	230,345		230,345	
46		-			0	
47		-			0	
48		-			0	
49						
50	**Net Income Before Interest & Income Taxes EBIT**	=	8,306,395	0	8,306,395	
51	Less: Interest expense for accounting purposes	-	3,326,755		3,326,755	
52	Provision for payments in lieu of income taxes	-	1,957,384		1,957,384	
53	**Net Income (loss)**	=	3,022,256	0	3,022,256	
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return.)					
55						
56	**Section C: Reconciliation of accounting income to taxable income**					
57	***From T2 Schedule 1***					
58	**BOOK TO TAX ADDITIONS:**					
59	Provision for income tax	+	1,957,384	0	1,957,384	
60	Federal large corporation tax	+	0		0	
61	Depreciation & Amortization	+	5,468,550	0	5,468,550	
62	Employee benefit plans-accrued, not paid	+		0	0	
63	Tax reserves - beginning of year	+	0	0	0	
64	Reserves from financial statements- end of year	+	3,141,233	0	3,141,233	
65	Regulatory adjustments on which true-up may apply (see A66)	+			0	
66	***Items on which true-up does not apply "TAXREC 3"***		564,103	0	564,103	

	A	B	C	D	E	F
1	**PILs TAXES - EB-2008-381**	**LINE**	**M of F**	Non-wires	**Wires-only**	
2	**TAX RETURN RECONCILIATION (TAXREC)**		**Corporate**	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		**Tax**		**Return**	
4	**0**		**Return**			
5					**Version 2009.1**	
67	Material addition items from TAXREC 2	+	0	0	0	
68	Other addition items (not Material) from TAXREC 2	+	0	0	0	
69						
70	*Subtotal*		11,131,270	0	11,131,270	
71						
72	*Other Additions: (Please explain the nature of the additions)*					
73	Recapture of CCA	+			0	
74	Non-deductible meals and entertainment expense	+			0	
75	Capital items expensed	+			0	
76		+	0		0	
77		+			0	
78		+			0	
79		+			0	
80	*Total Other Additions*	=	0	0	0	
81						
82	Total Additions	=	11,131,270	0	11,131,270	
83						
84	Recap Material Additions:					
85			0	0	0	
86			0	0	0	
87			0	0	0	
88			0	0	0	
89			0	0	0	
90			0	0	0	
91			0	0	0	
92	*Total Other additions >materiality level*		0	0	0	
93	Other additions (less than materiality level)		0	0	0	
94	Total Other Additions		0	0	0	
95						

	A	B	C	D	E	F
1	**PILs TAXES - EB-2008-381**	**LINE**	**M of F**	Non-wires	**Wires-only**	
2	**TAX RETURN RECONCILIATION (TAXREC)**		**Corporate**	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		**Tax**		**Return**	
4	**0**		**Return**			
5					**Version 2009.1**	
96	BOOK TO TAX DEDUCTIONS:					
97	Capital cost allowance	-	5,796,270		5,796,270	
98	Cumulative eligible capital deduction	-			0	
99	Employee benefit plans-paid amounts	-			0	
100	Items capitalized for regulatory purposes	-			0	
101	*Regulatory adjustments :*	-			0	
102	*CCA*	-			0	
103	*other deductions*	-			0	
104	*Tax reserves - end of year*	-	0	0	0	
105	*Reserves from financial statements- beginning of year*	-	2,983,812	0	2,983,812	
106	*Contributions to deferred income plans*	-			0	
107	*Contributions to pension plans*	-			0	
108	***Items on which true-up does not apply "TAXREC 3"***		24,808	0	24,808	
109	Interest capitalized for accounting deducted for tax	-			0	
110	Material deduction items from TAXREC 2	-	0	0	0	
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0	
112						
113	Subtotal	=	8,804,890	0	8,804,890	
114	*Other deductions (Please explain the nature of the deductions)*					
115	**Charitable donations - tax basis**	-			0	
116	*Gain on disposal of assets*	-			0	
117		-			0	
118					0	
119		-			0	
120	*Total Other Deductions*	=	0	0	0	
121						
122	Total Deductions	=	8,804,890	0	8,804,890	
123						
124	Recap Material Deductions:					
125			0	0	0	
126			0	0	0	
127			0	0	0	
128			0	0	0	
129			0	0	0	
130	*Total Other Deductions exceed materiality level*		0	0	0	
131	Other Deductions less than materiality level		0	0	0	
132	Total Other Deductions		0	0	0	
133						
134	TAXABLE INCOME	=	5,348,636	0	5,348,636	
135	DEDUCT:					
136	Non-capital loss applied positive number	-	0		0	
137	Net capital loss applied positive number	-			0	
138					0	
139	NET TAXABLE INCOME	=	5,348,636	0	5,348,636	
140						
141	**FROM ACTUAL TAX RETURNS**					
142	Net Federal Income Tax (Must agree with tax return)	+	1,183,118	0	1,183,118	
143	Net Ontario Income Tax (Must agree with tax return)	+	748,809	0	748,809	
144	Subtotal	=	1,931,927	0	1,931,927	
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	0		0	
146	**Total Income Tax**	=	1,931,927	0	1,931,927	
147						
148	**FROM ACTUAL TAX RETURNS**					
149	Net Federal Income Tax Rate (Must agree with tax return)		22.12%		22.12%	
150	Net Ontario Income Tax Rate (Must agree with tax return)		14.00%		14.00%	
151	Blended Income Tax Rate		36.12%		36.12%	
152						
153	**Section F: Income and Capital Taxes**					
154						
155	**RECAP**					
156	Total Income Taxes	+	1,931,927	0	1,931,927	
157	Ontario Capital Tax	+	310,387		310,387	

	A	B	C	D	E	F
1	**PILs TAXES - EB-2008-381**	**LINE**	**M of F**	Non-wires	**Wires-only**	
2	**TAX RETURN RECONCILIATION (TAXREC)**		**Corporate**	Eliminations	**Tax**	
3	(for "wires-only" business - see s. 72 OEB Act)		**Tax**		**Return**	
4	**0**		**Return**			
5					**Version 2009.1**	
158	Federal Large Corporations Tax	+	25,408		25,408	
159						
160	**Total income and capital taxes**	=	2,267,721	0	2,267,721	
161						

	A	B	C	D	E	F
1	**PILs TAXES - EB-2008-381**	LINE	M of F	Non-wires	**Wires-only**	
2	**Tax and Accounting Reserves**		Corporate	Eliminations	**Tax**	
3	For MoF Column of TAXCALC		Tax		**Return**	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	**0**				**Version 2009.1**	
6						
7	**Utility Name: Waterloo North Hydro Inc.**					
8	**Reporting period: 2004**					
9						
10	**TAX RESERVES**					
11						
12	**Beginning of Year:**					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	**Total (**carry forward to the TAXREC worksheet)		0	0	0	
23						
24	**End of Year:**					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)				0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	**Total (**carry forward to the TAXREC worksheet)		0	0	0	
36						
37						
38	**FINANCIAL STATEMENT RESERVES**					
39						
40	**Beginning of Year:**					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts		104,000		104,000	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	Post Employment Benefits		2,645,997		2,645,997	
48	Other - Please describe				0	
49	Vested Sick leave		233,815		233,815	
50	**Total (**carry forward to the TAXREC worksheet)		2,983,812	0	2,983,812	
51						
52	**End of Year:**					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts		104,000		104,000	
57	Inventory obsolescence				0	
58	Property taxes				0	
59	Post Employment Benefits		2,832,249		2,832,249	
60	Other - Please describe				0	
61	Vested Sick leave		204,984		204,984	
62	Insert line above this line					
63	**Total (**carry forward to the TAXREC worksheet)		3,141,233	0	3,141,233	
64						

	A	B	C	D	E	F
1						
2	**PILs TAXES - EB-2008-381**	LINE	M of F	Non-wires	**Wires-only**	
3	**TAX RETURN RECONCILIATION (TAXREC 2)**		Corporate	Eliminations	**Tax**	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	
5	**RATEPAYERS ONLY**		Return			
6	**Shareholder-only Items should be shown on TAXREC 3**				**Version 2009.1**	
7						
8	**Utility Name: Waterloo North Hydro Inc.**					
9	**Reporting period: 2004**					
10	**Number of days in taxation year:**		366			
11	**Materiality Level:**		100,459			
12						
13						
14						
15	**Section C: Reconciliation of accounting income to taxable income**					
16	**Add:**					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22		+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36	Provision for bad debts	+			0	
37		+			0	
38		+			0	
39		+			0	
40	*Other Additions: (please explain in detail the nature of the item)*	+			0	
41		+			0	
42		+			0	
43		+			0	
44		+			0	
45		+				
46	Total Additions	=	0	0	0	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51			0	0	0	
52			0	0	0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
56			0	0	0	
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	

	A	B	C	D	E	F
1						
2	**PILs TAXES - EB-2008-381**	LINE	M of F	Non-wires	**Wires-only**	
3	**TAX RETURN RECONCILIATION (TAXREC 2)**		Corporate	Eliminations	**Tax**	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	
5	**RATEPAYERS ONLY**		Return			
6	**Shareholder-only Items should be shown on TAXREC 3**				**Version 2009.1**	
7						
8	**Utility Name: Waterloo North Hydro Inc.**					
9	**Reporting period: 2004**					
10	**Number of days in taxation year:**		366			
11	**Materiality Level:**		100,459			
12						
13						
68			0	0	0	
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	
75			0	0	0	
76			0	0	0	
77	Total Material additions		0	0	0	
78	Other additions less than materiality level		0	0	0	
79	Total Additions		0	0	0	

	A	B	C	D	E	F
1						
2	**PILs TAXES - EB-2008-381**	LINE	M of F	Non-wires	**Wires-only**	
3	**TAX RETURN RECONCILIATION (TAXREC 2)**		Corporate	Eliminations	**Tax**	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	
5	**RATEPAYERS ONLY**		Return			
6	**Shareholder-only Items should be shown on TAXREC 3**				**Version 2009.1**	
7						
8	**Utility Name: Waterloo North Hydro Inc.**					
9	**Reporting period: 2004**					
10	**Number of days in taxation year:**		366			
11	**Materiality Level:**		100,459			
12						
13						
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
83	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
86	Scientific research expenses claimed in year from Form T661	-			0	
87	Bad debts	-			0	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-			0	
92		-				
93		-			0	
94		-			0	
95	*Other deductions: (Please explain in detail the nature of the item)*	-			0	
96	Non-taxable load transfers	-	0		0	
97		-			0	
98		-			0	
99	Total Deductions	=	0	0	0	
100						
101	Recap of Material Deductions:					
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
107			0	0	0	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119	Total Deductions exceed materiality level		0	0	0	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		0	0	0	
122						

	A	B	C	D	E	F
1						
2	**PILs TAXES - EB-2008-381**					
3	**TAX RETURN RECONCILIATION (TAXREC 3)**					
4	**Shareholder-only Items should be shown on TAXREC 3**	LINE	M of F	Non-wires	**Wires-only**	
5	**ITEMS ON WHICH TRUE-UP DOES NOT APPLY**		Corporate	Eliminations	**Tax**	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	
7	**0**		Return			
8	**Utility Name: Waterloo North Hydro Inc.**				**Version 2009.1**	
9						
10						
11	**Reporting period: 2004**					
12	**Number of days in taxation year:**		366			
13						
14						
15						
16	**Section C: Reconciliation of accounting income to taxable income**					
17	**Add:**					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+			0	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+	555,182		555,182	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+	8,921		8,921	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	**Donations - amount per books**				0	
36	Interest and penalties on unpaid taxes				0	
37	Management bonuses unpaid after 180 days of year end				0	
38	**Ontario capital tax adjustments**				0	
39		+			0	
40	**Changes in Regulatory Asset balances**	+			0	
41	Imputed interest expense on Regulatory Assets	+			0	
42		+			0	
43	*Other Additions: (please explain in detail the nature of the item)*	+			0	
44		+			0	
45		+			0	
46		+				
47	**Total Additions on which true-up does not apply**	=	564,103	0	564,103	
48						
49	**Deduct:**					
50						
51	CCA adjustments	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-	24,808		24,808	
55	Financing fee amorization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	**Donations - amount deductible for tax purposes**	-			0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60	**Ontario capital tax adjustments to current or prior year**	-			0	
61		-			0	
62	**Changes in Regulatory Asset balances**	-			0	
63		-			0	
64	Assessment Notice	-			0	
65		-			0	
66		-			0	
67		-			0	
68	*Other deductions: (Please explain in detail the nature of the item)*	-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	
73	**Total Deductions on which true-up does not apply**	=	24,808	0	24,808	
74						
75						

PILs TAXES - EB-2008-381
Corporate Tax Rates **Version 2009.1**
Exemptions, Deductions, or Thresholds

Utility Name: Waterloo North Hydro Inc.
Reporting period: 2004

Table 1

Rates Used in 2002 RAM PILs Applications for 2002

Income Range / RAM 2002	Year	0 to 200,000		200,001 to 700,000	>700000
Income Tax Rate					
Proxy Tax Year	*2002*				
Federal (Includes surtax)		13.12%		26.12%	26.12%
and Ontario blended		6.00%		6.00%	12.50%
Blended rate		19.12%		34.12%	38.62%
Capital Tax Rate		0.300%			
LCT rate		0.225%			
Surtax		1.12%			
Ontario Capital Tax Exemption **	MAX $5MM	5,000,000			
Federal Large Corporations Tax Exemption **	MAX $10MM	10,000,000			

****Exemption amounts must agree with the Board-approved 2002 RAM PILs filing**

Table 2

Expected Income Tax Rates for 2004 and Capital Tax Exemptions for 2004

Income Range / Expected Rates	Year	0 to 250,000	250,001 to 400,000	400,001 to 1,128,000	>1,128,000
Income Tax Rate					
Current year	*2004*				
Federal (Includes surtax)	*2004*	13.12%	22.12%	22.12%	22.12%
Ontario	*2004*	5.50%	5.50%	9.75%	14.00%
Blended rate	*2004*	18.62%	27.62%	31.87%	36.12%
Capital Tax Rate	*2004*	0.300%			
LCT rate	*2004*	0.200%			
Surtax	*2004*	1.12%			
Ontario Capital Tax Exemption *** 2004	MAX $5MM	5,000,000			
Federal Large Corporations Tax Exemption *** 2004	MAX $50MM	50,000,000			

*****Allocation of exemptions must comply with the Board's instructions regarding regulated activities.**

Table 3

Input Information from Utility's Actual 2004 Tax Returns

Income Range	Year	0 to 250,000	250,001 to 400,000	400,001 to 1,128,000	>1,128,000
Income Tax Rate					
Current year	*2004*				
Federal (Includes surtax)		13.12%	22.12%	22.29%	22.12%
Ontario		5.50%	5.50%	13.77%	14.00%
Blended rate		18.62%	27.62%	36.06%	36.12%
Capital Tax Rate		0.300%			
LCT rate		0.200%			
Surtax		1.12%			
Ontario Capital Tax Exemption *	MAX $5MM	5,000,000			
Federal Large Corporations Tax Exemption *	MAX $50MM	49,979,597			

*** Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36**

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	**PILs TAXES - EB-2008-381**														
2	**Analysis of PILs Tax Account 1562:**														
3	**Utility Name: Waterloo North Hydro Inc.**														**Version 2009.1**
4	**Reporting period: 2004**				**Sign Convention: + for increase; - for decrease**										**0**
5															
6															
7															
8	**Year start:**		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006		
9	**Year end:**		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		4/30/2006		Total
10															
11	**Opening balance:**	=	0		1,019,282		702,388		594,206		-165,068		677,540		0
12	**Board-approved PILs tax proxy from Decisions (1)**	+/-	1,013,161		3,370,434		4,383,595		3,623,724		842,609		0		13,233,523
13	**PILs proxy from April 1, 2005 - input 9/12 of amount**														0
14	**True-up Variance Adjustment Q4, 2001 (2)**	+/-													0
15	**True-up Variance Adjustment (3)**	+/-			7,980		-40,749		-711,391				-206,167		-950,328
16	**Deferral Account Variance Adjustment Q4, 2001 (4)**														0
17	**Deferral Account Variance Adjustment (5)**	+/-							-149,406				-335,462		-484,868
18	**Adjustments to reported prior years' variances (6)**	+/-													0
19	**Carrying charges (7)**	+/-	6,121		106,404		69,532		23,454						205,511
20	**PILs billed to (collected from) customers (8)**	-	0		-3,801,712		-4,520,560		-3,545,655						-11,867,927
21															
22	**Ending balance: # 1562**		1,019,282		702,388		594,206		-165,068		677,540		135,911		135,911

Uncollected PILs

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

Please identify if Method 1, 2 or 3 was used to account for the PILs proxy and recovery. ANSWER:

(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.
Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.
If the Board gave more than one decision in the year, calculate a weighted average proxy.
(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.
(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.
(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.
(v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.
(vi) Column M - The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.

(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the variance in the whole year reconcilation.

(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.
The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.

(4) From the Ministry of Finance Variance Column, under Future True-ups, Part IV b, cell I181, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.

(5) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I181, of the TAXCALC spreadsheet.
The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.

(6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.

(7) Carrying charges are calculated on a simple interest basis.

(8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate components for Q4, 2001and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the 2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.
The 2005 PILs tax proxy is being recovered on a volumetric basis by class.

(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kWs, Kva) for the period (including net unbilled at period end), multiplied by the PILs volumetric proxy rates by class (from the Q4, 2001and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004; plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.

In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7, for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.

In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4, for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used to calculate the recovery for the period January 1 to March 31, 2005.

(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes will have to include amounts from 1562 and from 1590.

Attachment X

2005
SIMPIL Model
(Revised)

	A	B	C	D	E
1	**PILs TAXES - EB-2008-0381**				**Version 2009.1**
2	**REGULATORY INFORMATION (REGINFO)**				
3	**Utility Name: Waterloo North Hydro Inc.**			Colour Code	
4	**Reporting period: 2005**			**Input Cell**	
5				**Formula in Cell**	
6	**Days in reporting period:**	365	days		
7	**Total days in the calendar year:**	365	days		
8					
9	**BACKGROUND**				
10	Has the utility reviewed section 149(1) ITA to				
11	confirm that it is not subject to regular corporate				
12	tax (and therefore subject to PILs)?		Y/N		
13					
14	Was the utility recently acquired by Hydro One				
15	and now subject to s.89 & 90 PILs?		Y/N		
16					
17	Is the utility a non-profit corporation?		Y/N		
18	(If it is a non-profit corporation, please contact the Rates Manager at the OEB)				
19	Are the Ontario Capital Tax & Large Corporations Tax Exemptions	OCT	Y/N		
20	shared among the corporate group?	LCT	Y/N		
21	Please identify the % used to allocate the OCT and LCT exemptions in	OCT		100%	
22	Cells C65 & C74 in the TAXCALC spreadsheet.	LCT		100%	
23					
24	Accounting Year End		Date	12-31-2005	
25					
26	**MARR NO TAX CALCULATIONS**				**Regulatory Income**
27	**SHEET #7 FINAL RUD MODEL DATA**				
28	**(FROM 1999 FINANCIAL STATEMENTS)**				
29	**USE BOARD-APPROVED AMOUNTS**				
30					
31	Rate Base (wires-only)			80,367,575	
32					
33	Common Equity Ratio (CER)			50.00%	
34					
35	1-CER			50.00%	
36					
37	Target Return On Equity			9.88%	
38					
39	Debt rate			7.25%	
40					
41	Market Adjusted Revenue Requirement			6,883,483	
42					
43	1999 return from RUD Sheet #7			3,269,200	3,269,200
44					
45	Total Incremental revenue			3,614,283	
46	**Input: Board-approved dollar amounts phased-in**				
47	Amount allowed in 2001			1,204,761	1,204,761
48	Amount allowed in 2002			1,204,761	1,204,761
49	Amount allowed in 2003 and 2004 (will be zero due to Bill 210				0
50	unless authorized by the Minister and the Board)				0
51	Amount allowed in Year 3 - 2005; no gross-up; (with approved CDM plan)		100.00%	1,204,761.00	1,204,762
52	Other Board-approved changes to MARR or incremental revenue			375,395	375,395
53					0
54	**Total Regulatory Income**				7,258,879
55					
56	Equity			40,183,788	
57					
58	Return at target ROE			3,970,158	
59					
60	Debt			40,183,788	
61					
62	Deemed interest amount in 100% of MARR			2,913,325	
63					
64	Phase-in of interest - Year 1 (2001)			1,893,533	
65	((D43+D47)/D41)*D61				
66	Phase-in of interest - Year 2 (2002)			2,403,429	
67	((D43+D47+D48)/D41)*D61				
68	Phase-in of interest - Year 3 (2003) and forward			2,403,429	
69	((D43+D47+D48)/D41)*D61 (due to Bill 210)				
70	Phase-in of interest - 2005			2,913,325	
71					
72					

	A	B	C	D	E	F	G	H
1	**PILs TAXES - EB-2008-0381**	**ITEM**	**Initial**		M of F	M of F	**Tax**	
2	**PILs DEFERRAL AND VARIANCE ACCOUNTS**		**Estimate**		Filing	Filing	**Returns**	
3	**Utility Name: Waterloo North Hydro Inc.**				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	**0**						**Version 2009.1**	
6	**Utility Name: Waterloo North Hydro Inc.**							
7	**Reporting period: 2005**							
8							**Column**	
9	**Days in reporting period:**	365	days				**Brought**	
10	**Total days in the calendar year:**	365	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
14	**I) CORPORATE INCOME TAXES**							
15								
16	Regulatory Net Income REGINFO E53	1	7,258,879		1,333,422		8,592,301	
17								
18	BOOK TO TAX ADJUSTMENTS							
19	***Additions:***							
20	Depreciation & Amortization	2	4,355,246		1,254,818		5,610,064	
21	Employee Benefit Plans - Accrued, Not Paid	3			0		0	
22	Tax reserves - beginning of year	4			0		0	
23	Reserves from financial statements - end of year	4			3,230,843		3,230,843	
24	Regulatory Adjustments - increase in income	5			0		0	
25	Other Additions (See Tab entitled "TAXREC")							
26	"Material" Items from "TAXREC" worksheet	6			0		0	
27	Other Additions (not "Material") "TAXREC"	6			0		0	
28	"Material Items from "TAXREC 2" worksheet	6			0		0	
29	Other Additions (not "Material") "TAXREC 2"	6			20,562		20,562	
30	**Items on which true-up does not apply "TAXREC 3"**				3,709,033		3,709,033	
31								
32	***Deductions:*** ***Input positive numbers***							
33	Capital Cost Allowance and CEC	7	2,927,193		3,033,220		5,960,413	
34	Employee Benefit Plans - Paid Amounts	8			0		0	
35	Items Capitalized for Regulatory Purposes	9			0		0	
36	Regulatory Adjustments - deduction for tax purposes in Item 5	10			0		0	
37	Interest Expense Deemed/ Incurred	11	2,913,325		200,629		3,113,954	
38	Tax reserves - end of year	4			0		0	
39	Reserves from financial statements - beginning of year	4			3,141,233		3,141,233	
40	Contributions to deferred income plans	3			0		0	
41	Contributions to pension plans	3			0		0	
42	Interest capitalized for accounting but deducted for tax	11			0		0	
43	Other Deductions (See Tab entitled "TAXREC")							
44	CDM 2005 incremental OM&A expenses per 2005 PILs model	12	150,000					
45	"Material" Items from "TAXREC" worksheet	12			0		0	
46	Other Deductions (not "Material") "TAXREC"	12			0		0	
47	Material Items from "TAXREC 2" worksheet	12			0		0	
48	Other Deductions (not "Material") "TAXREC 2"	12			0		0	
49	**Items on which true-up does not apply "TAXREC 3"**				324,890		324,890	
50								
51	TAXABLE INCOME/ (LOSS)		5,623,607		2,848,706		8,622,313	
52	Amount allowed in Year 3 - 2005; no gross-up; (with approved CDM plan)							
53	BLENDED INCOME TAX RATE							
54	Tab Tax Rates - Regulatory from Table 1; Actual from Table 3	13	36.12%		0.0000%		36.12%	
55								
56	REGULATORY INCOME TAX		2,031,247		1,083,133	Actual	3,114,380	
57								
58								
59	Miscellaneous Tax Credits	14			20,562	Actual	20,562	
60								
61	**Total Regulatory Income Tax**		2,031,247		1,062,571	Actual	3,093,818	
62								
63								
64	**II) CAPITAL TAXES**							
65								
66	***Ontario***							
67	Base	15	80,367,575		35,428,384		115,795,959	
68	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	16	7,500,000		0		7,500,000	
69	Taxable Capital		72,867,575		35,428,384		108,295,959	
70								
71	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	17	0.3000%		0.0000%		0.3000%	
72								
73	Ontario Capital Tax		218,603		106,287		324,890	
74								
75	***Federal Large Corporations Tax***							
76	Base	18	80,367,575		18,420,695		98,788,270	
77	Less: Exemption -Tax Rates - Regulatory, Table 1; Actual, Table 3	19	50,000,000		0		50,000,000	
78	Taxable Capital		30,367,575		18,420,695		48,788,270	
79								
80	Rate - Tax Rates - Regulatory, Table 1; Actual, Table 3	20	0.1750%		0.0000%		0.1750%	
81								
82	Gross Amount of LCT before surtax offset (Taxable Capital x Rate)		53,143		32,236		85,379	
83	Less: Federal Surtax 1.12% x Taxable Income	21	62,984		22,395		85,379	
84								
85	Net LCT		0		9,842		0	
86								

	A	B	C	D	E	F	G	H
1	**PILs TAXES - EB-2008-0381**	**ITEM**	**Initial**		M of F	M of F	**Tax**	
2	**PILs DEFERRAL AND VARIANCE ACCOUNTS**		**Estimate**		Filing	Filing	**Returns**	
3	**Utility Name: Waterloo North Hydro Inc.**				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	**0**						**Version 2009.1**	
6	**Utility Name: Waterloo North Hydro Inc.**							
7	**Reporting period: 2005**							
8							**Column**	
9	**Days in reporting period:**	365	days				**Brought**	
10	**Total days in the calendar year:**	365	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
87	**III) INCLUSION IN RATES**							
88								
89	Income Tax Rate used for gross- up (exclude surtax)		36.12%					
90								
91	Income Tax (proxy tax is grossed-up)	22	3,179,786			**Actual 2005**	3,093,818	
92	LCT (proxy tax is grossed-up)	23	0			**Actual 2005**	0	
93	Ontario Capital Tax (no gross-up since it is deductible)	24	218,603			**Actual 2005**	324,890	
94								
95								
96	***Total PILs for Rate Adjustment -- MUST AGREE WITH 2005***	25	3,398,388			**Actual 2005**	3,418,708	
97	**RAM DECISION**							
98								
99								
100	***IV) FUTURE TRUE-UPS***							
101	**IV a) Calculation of the True-up Variance**				**DR/(CR)**			
102	***In Additions:***							
103	Employee Benefit Plans - Accrued, Not Paid	3			0			
104	Tax reserves deducted in prior year	4			0			
105	Reserves from financial statements-end of year	4			3,230,843			
106	Regulatory Adjustments	5			0			
107	Other additions "Material" Items TAXREC	6			0			
108	Other additions "Material" Items TAXREC 2	6			0			
109	***In Deductions - positive numbers***							
110	Employee Benefit Plans - Paid Amounts	8			0			
111	Items Capitalized for Regulatory Purposes	9			0			
112	Regulatory Adjustments	10			0			
113	Interest Adjustment for tax purposes **(See Below - cell I206)**	11			200,629			
114	Tax reserves claimed in current year	4			0			
115	Reserves from F/S beginning of year	4			3,141,233			
116	Contributions to deferred income plans	3			0			
117	Contributions to pension plans	3			0			
118	Other deductions "Material" Items TAXREC	12			0			
119	Other deductions "Material" Item TAXREC 2	12			0			
120								
121	Total TRUE-UPS before tax effect	26		=	-111,019			
122								
123	Income Tax Rate (excluding surtax) from **2005** Utility's tax return			x	36.12%			
124								
125	Income Tax Effect on True-up adjustments			=	-40,100			
126								
127	Less: Miscellaneous Tax Credits	14			20,562			
128								
129	Total Income Tax on True-ups				-60,662			
130								
131	Income Tax Rate used for gross-up (exclude surtax)				35.00%			
132								
133	**TRUE-UP VARIANCE ADJUSTMENT**				**(93,326)**			
134								
135	**IV b) Calculation of the Deferral Account Variance caused by changes in legislation**							
136								
137	REGULATORY TAXABLE INCOME /(LOSSES) (as reported in the initial estimate column)			=	5,623,607			
138								
139	REVISED CORPORATE INCOME TAX RATE			x	36.12%			
140								
141	REVISED REGULATORY INCOME TAX			=	2,031,247			
142								
143	Less: Revised Miscellaneous Tax Credits			-	20,562			
144								
145	Total Revised Regulatory Income Tax			=	2,010,685			
146								
147	Less: Regulatory Income Tax reported in the Initial Estimate Column (Cell C58)			-	2,031,247			
148								
149	Regulatory Income Tax Variance			=	(20,562)			
150								

	A	B	C	D	E	F	G	H
1	**PILs TAXES - EB-2008-0381**	**ITEM**	**Initial**		M of F	M of F	**Tax**	
2	**PILs DEFERRAL AND VARIANCE ACCOUNTS**		**Estimate**		Filing	Filing	**Returns**	
3	**Utility Name: Waterloo North Hydro Inc.**				Variance	Variance		
4	("Wires-only" business - see Tab TAXREC)				K-C	Explanation		
5	**0**						**Version 2009.1**	
6	**Utility Name: Waterloo North Hydro Inc.**							
7	**Reporting period: 2005**							
8							**Column**	
9	**Days in reporting period:**	365	days				**Brought**	
10	**Total days in the calendar year:**	365	days				**From**	
11							**TAXREC**	
12			$		$		$	
13								
151	**Ontario Capital Tax**							
152	Base			=	80,367,575			
153	Less: Exemption from tab Tax Rates, Table 2, cell C39			-	7,500,000			
154	Revised deemed taxable capital			=	72,867,575			
155								
156	Rate - Tab Tax Rates cell C54			x	0.3000%			
157								
158	Revised Ontario Capital Tax			=	218,603			
159	Less: Ontario Capital Tax reported in the initial estimate column (Cell C70)			-	218,603			
160	Regulatory Ontario Capital Tax Variance			=	0			
161								
162	**Federal LCT**							
163	Base				80,367,575			
164	Less: Exemption from tab Tax Rates, Table 2, cell C40			-	50,000,000			
165	Revised Federal LCT			=	30,367,575			
166								
167	Rate (as a result of legislative changes) tab 'Tax Rates' cell C51				0.1750%			
168								
169	Gross Amount				53,143			
170	Less: Federal surtax			-	62,984			
171	Revised Net LCT			=	0			
172								
173	Less: Federal LCT reported in the initial estimate column (Cell C85)			-	0			
174	Regulatory Federal LCT Variance			=	0			
175								
176	Actual Income Tax Rate used for gross-up (exclude surtax)				35.00%			
177								
178	**Income Tax (grossed-up)**			+	(31,634)			
179	**LCT (grossed-up)**			+	0			
180	**Ontario Capital Tax**			+	0			
181								
182	**DEFERRAL ACCOUNT VARIANCE ADJUSTMENT**			=	**(31,634)**			
183								
184	**TRUE-UP VARIANCE (from cell I132)**			+	**(93,326)**			
185								
186	**Total Deferral Account Entry (Positive Entry = Debit)**			=	**(124,960)**			
187	*(Deferral Account Variance + True-up Variance)*							
188								
189								
190								
191	**V) INTEREST PORTION OF TRUE-UP**							
192	**Variance Caused By Phase-in of Deemed Debt**							
193								
194	Total deemed interest (REGINFO)				2,913,325			
195	Interest phased-in (Cell C36)				2,403,429			
196								
197	Variance due to phase-in of debt component of MARR in rates				509,896			
198	according to the Board's decision							
199								
200	**Other Interest Variances (i.e. Borrowing Levels**							
201	**Above Deemed Debt per Rate Handbook)**							
202	Interest deducted on MoF filing (Cell K36+K41)				3,113,954			
203	Total Deemed Interest (REGINFO Cell D62)				2,913,325			
204								
205	Variance caused by excess debt				200,629			
206								
207	**Interest Adjustment for Tax Purposes (carry forward to Cell I112)**				200,629			
208								
209	**Total Interest Variance**				309,266			
210								
211								
212								

	A	B	C	D	E	F	G
1	**PILs TAXES - EB-2008-0381**	**LINE**	**M of F**	Non-wires	**Wires-only**		
2	**TAX RETURN RECONCILIATION (TAXREC)**		**Corporate**	Eliminations	**Tax**		
3	**Utility Name: Waterloo North Hydro Inc.**		**Tax**		**Return**		
4	**0**		**Return**				
5					**Version 2009.1**		
6	**Section A: Identification:**						
7	**Utility Name: Waterloo North Hydro Inc.**						
8	**Reporting period: 2005**						
9	**Taxation Year's start date:**						
10	**Taxation Year's end date:**						
11	**Number of days in taxation year:**		365	days			
12							
13	**Please enter the Materiality Level :**		100,459	< - enter materiality level			
14	**(0.25% x Rate Base x CER)**	Y/N					
15	**(0.25% x Net Assets)**	Y/N					
16	**Or other measure (please provide the basis of the amount)**	Y/N					
17	**Does the utility carry on non-wires related operation?**	Y/N					
18	**(Please complete the questionnaire in the Background questionnaire worksheet.)**						
19							
20	Note: Carry forward Wires-only Data to Tab "TAXCALC" Column K						
21							
22	**Section B: Financial statements data:**						
23	*Input unconsolidated financial statement data submitted with Tax returns.*						
24	*The actual categories of the income statements should be used.*						
25	*If required please change the descriptions except for amortization, interest expense and provision for income tax*						
26							
27	*Please enter the non-wire operation's amount as a positive number, the program automatically treats all amounts*						
28	*in the "non-wires elimination column" as negative values in TAXREC and TAXREC2.*						
29							
30	**Income:**						
31	Energy Sales	+	107,717,101		107,717,101		
32	Distribution Revenue	+	22,367,695		22,367,695		
33	Other Income	+	1,030,802	599,647	431,156		
34	Miscellaneous income	+	183,380		183,380		
35		+			0		
36	Revenue should be entered above this line						
37							
38	**Costs and Expenses:**						
39	Cost of energy purchased	-	107,717,101		107,717,101		
40	Administration	-	1,856,947		1,856,947		
41	Customer billing and collecting	-	2,215,618	599,647	1,615,972		
42	Operations and maintenance	-	4,921,721		4,921,721		
43	Amortization	-	5,610,064		5,610,064		
44	Ontario Capital Tax	-	335,161		335,161		
45	Capitalized	-			0		
46		-			0		
47	CDM Expenses for 2005	-	50,065		50,065		
48		-			0		
49							
50	**Net Income Before Interest & Income Taxes EBIT**	=	8,592,301	0	8,592,301		
51	Amount allowed in Year 3 - 2005; no gross-up; (with approved CDM plan	-	3,113,954		3,113,954		
52	Provision for payments in lieu of income taxes	-	3,088,616		3,088,616		
53	**Net Income (loss)**	=	2,389,731	0	2,389,731		
54	(The Net Income (loss) on the MoF column should equal to the net income (loss) per financial statements on Schedule 1 of the tax return.)						
55							
56	**Section C: Reconciliation of accounting income to taxable income**						
57	***From T2 Schedule 1***						
58	**BOOK TO TAX ADDITIONS:**						
59	Provision for income tax	+	3,088,616	0	3,088,616		
60	Federal large corporation tax	+	0		0		
61	Depreciation & Amortization	+	5,610,064	0	5,610,064		
62	Employee benefit plans-accrued, not paid	+		0	0		
63	Tax reserves - beginning of year	+	0	0	0		
64	Reserves from financial statements- end of year	+	3,230,843	0	3,230,843		
65	Regulatory adjustments on which true-up may apply (see A66)	+			0		
66	***Items on which true-up does not apply "TAXREC 3"***		3,709,033	0	3,709,033		
67	Material addition items from TAXREC 2	+	0	0	0		
68	Other addition items (not Material) from TAXREC 2	+	20,562	0	20,562		
69							
70	*Subtotal*		15,659,118	0	15,659,118		
71							
72	*Other Additions: (Please explain the nature of the additions)*						
73	Recapture of CCA	+			0		
74	Non-deductible meals and entertainment expense	+			0		
75	Capital items expensed	+			0		
76		+			0		
77	*Capital tax accrued in income statement*	+			0		
78		+			0		
79		+			0		
80	*Total Other Additions*	=	0	0	0		
81							
82	Total Additions	=	15,659,118	0	15,659,118		
83							
84	Recap Material Additions:						

	A	B	C	D	E	F	G
1	**PILs TAXES - EB-2008-0381**	**LINE**	**M of F**	Non-wires	**Wires-only**		
2	**TAX RETURN RECONCILIATION (TAXREC)**		**Corporate**	Eliminations	**Tax**		
3	**Utility Name: Waterloo North Hydro Inc.**		**Tax**		**Return**		
4	**0**		**Return**				
5					**Version 2009.1**		
85			0	0	0		
86			0	0	0		
87			0	0	0		
88			0	0	0		
89			0	0	0		
90			0	0	0		
91			0	0	0		
92	*Total Other additions >materiality level*		0	0	0		
93	Other additions (less than materiality level)		0	0	0		
94	Total Other Additions		0	0	0		
95							

	A	B	C	D	E	F	G
1	**PILs TAXES - EB-2008-0381**	**LINE**	**M of F**	Non-wires	**Wires-only**		
2	**TAX RETURN RECONCILIATION (TAXREC)**		**Corporate**	Eliminations	**Tax**		
3	**Utility Name: Waterloo North Hydro Inc.**		**Tax**		**Return**		
4	**0**		**Return**				
5					**Version 2009.1**		
96	BOOK TO TAX DEDUCTIONS:						
97	Capital cost allowance	-	5,960,413		5,960,413		
98	Cumulative eligible capital deduction	-			0		
99	Employee benefit plans-paid amounts	-			0		
100	Items capitalized for regulatory purposes	-			0		
101	*Regulatory adjustments :*	-			0		
102	*CCA*	-			0		
103	*other deductions*	-			0		
104	*Tax reserves - end of year*	-	0	0	0		
105	*Reserves from financial statements- beginning of year*	-	3,141,233	0	3,141,233		
106	*Contributions to deferred income plans*	-			0		
107	*Contributions to pension plans*	-			0		
108	***Items on which true-up does not apply "TAXREC 3"***		324,890	0	324,890		
109	Interest capitalized for accounting deducted for tax	-			0		
110	Material deduction items from TAXREC 2	-	0	0	0		
111	Other deduction items (not Material) from TAXREC 2	-	0	0	0		
112							
113	Subtotal	=	9,426,536	0	9,426,536		
114	*Other deductions (Please explain the nature of the deductions)*						
115	**Charitable donations - tax basis**	-			0		
116	*Gain on disposal of assets*	-			0		
117					0		
118					0		
119		-			0		
120	*Total Other Deductions*	=	0	0	0		
121							
122	Total Deductions	=	9,426,536	0	9,426,536		
123							
124	Recap Material Deductions:						
125			0	0	0		
126			0	0	0		
127			0	0	0		
128			0	0	0		
129			0	0	0		
130	*Total Other Deductions exceed materiality level*		0	0	0		
131	Other Deductions less than materiality level		0	0	0		
132	Total Other Deductions		0	0	0		
133							
134	TAXABLE INCOME	=	8,622,313	0	8,622,313		
135	DEDUCT:						
136	Non-capital loss applied positive number	-	0		0		
137	Net capital loss applied positive number	-			0		
138					0		
139	NET TAXABLE INCOME	=	8,622,313	0	8,622,313		
140							
141	**FROM ACTUAL TAX RETURNS**						
142	Net Federal Income Tax (Must agree with tax return)	+	1,907,256	0	1,907,256		
143	Net Ontario Income Tax (Must agree with tax return)	+	1,207,124	0	1,207,124		
144	Subtotal	=	3,114,380	0	3,114,380		
145	Less: Miscellaneous tax credits (Must agree with tax returns)	-	20,562		20,562		
146	**Total Income Tax**	=	3,093,818	0	3,093,818		
147							
148	**FROM ACTUAL TAX RETURNS**						
149	Net Federal Income Tax Rate (Must agree with tax return)		22.12%		22.12%		Divide federal income tax by the taxable i
150	Net Ontario Income Tax Rate (Must agree with tax return)		14.00%		14.00%		Divide Ontario income tax by the taxable
151	Blended Income Tax Rate		36.12%		36.12%		
152							
153	**Section F: Income and Capital Taxes**						
154							
155	**RECAP**						
156	Total Income Taxes	+	3,093,818	0	3,093,818		
157	Ontario Capital Tax	+	324,890		324,890		
158	Federal Large Corporations Tax	+	0		0		
159							
160	**Total income and capital taxes**	=	3,418,708	0	3,418,708		
161							

	A	B	C	D	E	F
1	**PILs TAXES - EB-2008-0381**	LINE	M of F	Non-wires	**Wires-only**	
2	**Tax and Accounting Reserves**		Corporate	Eliminations	**Tax**	
3	**Utility Name: Waterloo North Hydro Inc.**		Tax		**Return**	
4	(for "wires-only" business - see s. 72 OEB Act)		Return			
5	**0**				**Version 2009.1**	
6						
7	**Utility Name: Waterloo North Hydro Inc.**					
8	**Reporting period: 2005**					
9						
10	**TAX RESERVES**					
11						
12	**Beginning of Year:**					
13					0	
14	Reserve for doubtful accounts ss. 20(1)(l)				0	
15	Reserve for goods & services ss.20(1)(m)				0	
16	Reserve for unpaid amounts ss.20(1)(n)				0	
17	Debt and share issue expenses ss.20(1)(e)				0	
18	Other - Please describe				0	
19	Other - Please describe				0	
20					0	
21					0	
22	**Total (**carry forward to the TAXREC worksheet)		0	0	0	
23						
24	**End of Year:**					
25					0	
26	Reserve for doubtful accounts ss. 20(1)(l)		0		0	
27	Reserve for goods & services ss.20(1)(m)				0	
28	Reserve for unpaid amounts ss.20(1)(n)				0	
29	Debt and share issue expenses ss.20(1)(e)				0	
30	Other - Please describe				0	
31	Other - Please describe				0	
32					0	
33					0	
34	Insert line above this line					
35	**Total (**carry forward to the TAXREC worksheet)		0	0	0	
36						
37						
38	**FINANCIAL STATEMENT RESERVES**					
39						
40	**Beginning of Year:**					
41					0	
42					0	
43	Environmental				0	
44	Allowance for doubtful accounts		104,000		104,000	
45	Inventory obsolescence				0	
46	Property taxes				0	
47	Vested Sick Leave		204,984		204,984	
48	Post Employment Benefits		2,832,249		2,832,249	
49					0	
50	**Total (**carry forward to the TAXREC worksheet)		3,141,233	0	3,141,233	
51	Amount allowed in Year 3 - 2005; no gross-up; (with approved CDM plan)					
52	**End of Year:**					
53					0	
54					0	
55	Environmental				0	
56	Allowance for doubtful accounts		104,000		104,000	
57	Inventory obsolescence				0	
58	Property taxes				0	
59	Vested Sick Leave		183,705		183,705	
60	Post Employment Benefits		2,943,138		2,943,138	
61					0	
62	Insert line above this line					
63	**Total (**carry forward to the TAXREC worksheet)		3,230,843	0	3,230,843	
64						

	A	B	C	D	E	F
1						
2	**PILs TAXES - EB-2008-0381**	LINE	M of F	Non-wires	**Wires-only**	
3	**Utility Name: Waterloo North Hydro Inc.**		Corporate	Eliminations	**Tax**	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	
5	**RATEPAYERS ONLY**		Return			
6	**Shareholder-only Items should be shown on TAXREC 3**				**Version 2009.1**	
7						
8	**Utility Name: Waterloo North Hydro Inc.**					
9	**Reporting period: 2005**					
10	**Number of days in taxation year:**		365			
11	**Materiality Level:**		100,459			
12						
13						
14						
15	**Section C: Reconciliation of accounting income to taxable income**					
16	**Add:**					
17		+			0	
18	Gain on sale of eligible capital property	+			0	
19	Loss on disposal of assets	+			0	
20	Charitable donations (Only if it benefits ratepayers)	+			0	
21	Taxable capital gains	+			0	
22		+			0	
23	Scientific research expenditures deducted	+			0	
24	per financial statements	+			0	
25	Capitalized interest	+			0	
26	Soft costs on construction and renovation of buildings	+			0	
27	Capital items expensed	+			0	
28	Debt issue expense	+			0	
29	Financing fees deducted in books	+			0	
30	Gain on settlement of debt	+			0	
31	Interest paid on income debentures	+			0	
32	Recapture of SR&ED expenditures	+			0	
33	Share issue expense	+			0	
34	Write down of capital property	+			0	
35	Amounts received in respect of qualifying environment trust	+			0	
36	Provision for bad debts	+			0	
37		+			0	
38		+			0	
39		+			0	
40	*Other Additions: (please explain in detail the nature of the item)*	+			0	
41	Interest and penalties on taxes	+			0	
42	Ontario Specified Tax Credits	+	20,562		20,562	
43		+			0	
44		+			0	
45		+				
46	Total Additions	=	20,562	0	20,562	
47						
48	Recap of Material Additions:					
49			0	0	0	
50			0	0	0	
51	Amount allowed in Year 3 - 2005; no gross-up; (with approved CDM plan)				0	
52			0		0	
53			0	0	0	
54			0	0	0	
55			0	0	0	
56			0	0	0	
57			0	0	0	
58			0	0	0	
59			0	0	0	
60			0	0	0	
61			0	0	0	
62			0	0	0	
63			0	0	0	
64			0	0	0	
65			0	0	0	
66			0	0	0	
67			0	0	0	

	A	B	C	D	E	F
1						
2	**PILs TAXES - EB-2008-0381**	LINE	M of F	Non-wires	**Wires-only**	
3	**Utility Name: Waterloo North Hydro Inc.**		Corporate	Eliminations	**Tax**	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	
5	**RATEPAYERS ONLY**		Return			
6	**Shareholder-only Items should be shown on TAXREC 3**				**Version 2009.1**	
7						
8	**Utility Name: Waterloo North Hydro Inc.**					
9	**Reporting period: 2005**					
10	**Number of days in taxation year:**		365			
11	**Materiality Level:**		100,459			
12						
13						
68			0	0	0	
69			0	0	0	
70			0	0	0	
71			0	0	0	
72			0	0	0	
73			0	0	0	
74			0	0	0	
75			0	0	0	
76			0	0	0	
77	Total Material additions		0	0	0	
78	Other additions less than materiality level		20,562	0	20,562	
79	Total Additions		20,562	0	20,562	

	A	B	C	D	E	F
1						
2	**PILs TAXES - EB-2008-0381**	LINE	M of F	Non-wires	**Wires-only**	
3	**Utility Name: Waterloo North Hydro Inc.**		Corporate	Eliminations	**Tax**	
4	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	
5	**RATEPAYERS ONLY**		Return			
6	**Shareholder-only Items should be shown on TAXREC 3**				**Version 2009.1**	
7						
8	**Utility Name: Waterloo North Hydro Inc.**					
9	**Reporting period: 2005**					
10	**Number of days in taxation year:**		365			
11	**Materiality Level:**		100,459			
12						
13						
80						
81	Deduct:					
82	Gain on disposal of assets per f/s	-			0	
83	Dividends not taxable under section 83	-			0	
84	Terminal loss from Schedule 8	-			0	
85	Depreciation in inventory, end of prior year	-			0	
86	Scientific research expenses claimed in year from Form T661	-			0	
87	Bad debts	-			0	
88	Book income of joint venture or partnership	-			0	
89	Equity in income from subsidiary or affiliates	-			0	
90	Contributions to a qualifying environment trust	-			0	
91	Other income from financial statements	-			0	
92		-				
93		-			0	
94		-			0	
95	*Other deductions: (Please explain in detail the nature of the item)*	-			0	
96	Non-taxable load transfers	-	0		0	
97		-			0	
98		-			0	
99	Total Deductions	=	0	0	0	
100						
101	Recap of Material Deductions:					
102			0	0	0	
103			0	0	0	
104			0	0	0	
105			0	0	0	
106			0	0	0	
107			0	0	0	
108			0	0	0	
109			0	0	0	
110			0	0	0	
111			0	0	0	
112			0	0	0	
113			0	0	0	
114			0	0	0	
115			0	0	0	
116			0	0	0	
117			0	0	0	
118			0	0	0	
119	Total Deductions exceed materiality level		0	0	0	
120	Other deductions less than materiality level		0	0	0	
121	Total Deductions		0	0	0	
122						

	A	B	C	D	E	F
1						
2	**PILs TAXES - EB-2008-0381**					
3	**Utility Name: Waterloo North Hydro Inc.**					
4	**Shareholder-only Items should be shown on TAXREC 3**	LINE	M of F	Non-wires	**Wires-only**	
5	**ITEMS ON WHICH TRUE-UP DOES NOT APPLY**		Corporate	Eliminations	**Tax**	
6	(for "wires-only" business - see s. 72 OEB Act)		Tax		**Return**	
7	**0**		Return			
8	**Utility Name: Waterloo North Hydro Inc.**				**Version 2009.1**	
9						
10						
11	**Reporting period: 2005**					
12	**Number of days in taxation year:**		365			
13						
14						
15						
16	**Section C: Reconciliation of accounting income to taxable income**					
17	**Add:**					
18						
19	Recapture of capital cost allowance	+			0	
20	CCA adjustments	+			0	
21	CEC adjustments	+			0	
22	Gain on sale of non-utility eligible capital property	+			0	
23	Gain on sale of utility eligible capital property	+			0	
24	Loss from joint ventures or partnerships	+			0	
25	Deemed dividend income	+			0	
26	Loss in equity of subsidiaries and affiliates	+			0	
27	Loss on disposal of utility assets	+	20,435		20,435	
28	Loss on disposal of non-utility assets	+			0	
29	Depreciation in inventory -end of year	+			0	
30	Depreciation and amortization adjustments	+	630,461		630,461	
31	Dividends credited to investment account	+			0	
32	Non-deductible meals	+	15,205		15,205	
33	Non-deductible club dues	+			0	
34	Non-deductible automobile costs	+			0	
35	**Donations - amount per books**				0	
36	Interest and penalties on unpaid taxes		43,750		43,750	
37	Management bonuses unpaid after 180 days of year end				0	
38	**Ontario capital tax adjustments**				0	
39		+			0	
40	**Changes in Regulatory Asset balances**	+			0	
41		+			0	
42		+			0	
43	*Other Additions: (please explain in detail the nature of the item)*	+			0	
44	Capital tax accrued in income statement	+	335,161		335,161	
45	Regulatory Asset Adjustment	+	2,664,021		2,664,021	
46		+				
47	**Total Additions on which true-up does not apply**	=	3,709,033	0	3,709,033	
48						
49	**Deduct:**					
50						
51	Amount allowed in Year 3 - 2005; no gross-up; (with approved CDM plan)	-			0	
52	CEC adjustments	-			0	
53	Depreciation and amortization adjustments	-			0	
54	Gain on disposal of assets per financial statements	-			0	
55	Financing fee amorization - considered to be interest expense for PILs	-			0	
56	Imputed interest income on Regulatory Assets	-			0	
57	**Donations - amount deductible for tax purposes**	-			0	
58	Income from joint ventures or partnerships	-			0	
59		-			0	
60	**Ontario capital tax adjustments to current or prior year**	-			0	
61		-			0	
62	**Changes in Regulatory Asset balances**	-			0	
63		-			0	
64		-			0	
65	Capital tax per CT23	-	324,890		324,890	
66		-			0	
67		-			0	
68	*Other deductions: (Please explain in detail the nature of the item)*	-			0	
69		-			0	
70		-			0	
71		-			0	
72		-			0	
73	**Total Deductions on which true-up does not apply**	=	324,890	0	324,890	
74						
75						

	A	B	C	D	E	F	G	H	I	J
1	**PILs TAXES - EB-2008-0381**									
2	**Corporate Tax Rates**					**Version 2009.1**				
3	**Utility Name: Waterloo North Hydro Inc.**									
4	**Utility Name: Waterloo North Hydro Inc.**									
5	**Reporting period: 2005**									
6										
7						**Table 1**				
8	**Rates Used in 2005 RAM PILs Applications for 2005**									
9	**Income Range**		**0**		**400,001**					
10	**RAM 2005**		**to**		**to**	**>1,128,000**				
11		**Year**	**400,000**		**1,128,000**					
12	**Income Tax Rate**			Y						
13	***Proxy Tax Year***	***2005***								
14	***Federal (Includes surtax)***		13.12%		17.75%	22.12%				
15	***and Ontario blended***		5.50%	N	9.75%	14.00%				
16	***Blended rate***		18.62%		27.50%	36.12%				
17				N						
18	**Capital Tax Rate**		0.300%							
19	**LCT rate**		0.175%	N						
20	**Surtax**		1.12%	N						
21	**Ontario Capital Tax Exemption ****	**MAX $7.5MM**	7,500,000							
22	**Federal Large Corporations Tax Exemption ****	**MAX $50MM**	50,000,000							
23	****Exemption amounts must agree with the Board-approved 2005 RAM PILs filing**									
24										
25						**Table 2**				
26	**Expected Income Tax Rates for 2005 and Capital Tax Exemptions for 2005**									
27	**Income Range**		**0**	**250,001**	**400,001**					
28	**Expected Rates**		**to**	**to**	**to**	**>1,128,000**				
29		**Year**	**250,000**	**400,000**	**1,128,000**					
30	**Income Tax Rate**									
31	***Current year***	***2005***								
32	***Federal (Includes surtax)***	***2005***	13.12%	22.12%	22.12%	22.12%				
33	***Ontario***	***2005***	5.50%	5.50%	9.75%	14.00%				
34	***Blended rate***	***2005***	18.62%	27.62%	31.87%	36.12%				
35										
36	**Capital Tax Rate**	***2005***	0.300%							
37	**LCT rate**	***2005***	0.200%							
38	**Surtax**	***2005***	1.12%							
39	**Ontario Capital Tax Exemption *** 2005**	**MAX $7.5MM**	7,500,000							
40	**Federal Large Corporations Tax Exemption *** 2005**	**MAX $50MM**	50,000,000							
41	*****Allocation of exemptions must comply with the Board's instructions regarding regulated activities.**									
42										
43				3269200		**Table 3**				
44	**Input Information from Utility's Actual 2005 Tax Returns**									
45	**Income Range**		**0**	**250,001**	**400,001**					
46			**to**	**to**	**to**	**>1,128,000**				
47		**Year**	**250,000**	**1,204,761**	**1,128,000**					
48	**Income Tax Rate**			1204761						
49	***Current year***	***2005***								
50	***Federal (Includes surtax)***		13.12%	22.12%	22.12%	22.12%				
51	Amount allowed in Year 3 - 2005; no gross-up; (with a			5.50%	14.00%	14.00%				
52	***Blended rate***		13.12%	27.62%	36.12%	36.12%				
53										
54	**Capital Tax Rate**		0.300%							
55	**LCT rate**		0.175%							
56	**Surtax**		1.12%							
57	**Ontario Capital Tax Exemption ***	**MAX $7.5MM**	7,500,000							
58	**Federal Large Corporations Tax Exemption ***	**MAX $50MM**	50,000,000							
59	*** Include copies of the actual tax return allocation calculations in your submission: Ontario CT23 page 11; federal T2 Schedule 36**									
60										
61										

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	**PILs TAXES - EB-2008-0381**														
2	**Analysis of PILs Tax Account 1562:**														
3	**Utility Name: Waterloo North Hydro Inc.**														**Version 2009.1**
4	**Reporting period: 2005**				**Sign Convention: + for increase; - for decrease**										**0**
5															
6															
7															
8	**Year start:**		10/1/2001		1/1/2002		1/1/2003		1/1/2004		1/1/2005		1/1/2006		
9	**Year end:**		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		4/30/2006		Total
10															
11	**Opening balance:**	=	0		1,019,282		702,388		594,206		-165,068		-879,609		0
12	**Board-approved PILs tax proxy from Decisions (1)**	+/-	1,013,161	Y	3,370,434		4,383,595		3,623,724		842,609		1,132,796		14,366,319
13	**PILs proxy from April 1, 2005 - input 9/12 of amount**										2,548,791				2,548,791
14	**True-up Variance Adjustment Q4, 2001 (2)**	+/-													0
15	**True-up Variance Adjustment (3)**	+/-		N	7,980		-40,749		-711,391		-206,167		-93,326		-1,043,653
16	**Deferral Account Variance Adjustment Q4, 2001 (4)**										0				0
17	**Deferral Account Variance Adjustment (5)**	+/-		N					-149,406		-335,462		-31,634		-516,502
18	**Adjustments to reported prior years' variances (6)**	+/-													0
19	**Carrying charges (7)**	+/-	6,121	N	106,404		69,532		23,454		-24,283		-19,138		162,090
20	**PILs billed to (collected from) customers (8)**	-	0	N	-3,801,712		-4,520,560		-3,545,655		-3,540,029		-1,169,772		-16,577,728
21															
22	**Ending balance: # 1562**		1,019,282		702,388		594,206		-165,068		-879,609		-1,060,684		-1,060,684

Uncollected PILs

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

Please identify if Method 1, 2 or 3 was used to acc ##

(1) (i) From the Board's Decision - see Inclusion in Rates, Part III of the TAXCALC spreadsheet for Q4 2001 and 2002.
Please insert the Q4, 2001 proxy in column C even though it was approved effective March 1, 2002.
If the Board gave more than one decision in the year, calculate a weighted average proxy.
(ii) If the Board approved different amounts, input the Board-approved amounts in cells C13 and E13.
(iii) Column G - In 2003, the initial estimate should include the Q4 2001 PILs tax proxy and the 2002 PILs tax proxy.
(iv) Column I - The Q4 2001 PILs tax proxy was removed from rates on April 1, 2004 and the 2002 PILs tax proxy remained.
(v) Column K - The 2002 PILs tax proxy applies to January 1 to March 31, 2005, and the new 2005 PILs tax proxy from April 1 to December 31, 2005.
(vi) Column M - The 2005 PILs tax proxy will used for the period from January 1 to April 30, 2006.

(2) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet. The Q4, 2001 proxy has to be trued up in 2002, 2003 and for the period Januar ##

(3) From the Ministry of Finance Variance Column, under Future True-ups, Part IV a, cell I132, of the TAXCALC spreadsheet.
The true-up will compare to the 2002 proxy for 2002, 2003, 2004 and January 1 to March 31, 2005.
##
(4) From the Ministry of Finance Variance Column, unc ##
trued up in 2002, 2003 and for the period January 1- March 31, 2004. Input the deferral variance in the whole year reconciliation.

Amount allowed in Year 3 - 2005; no gross-up; (with ##
The true-up will compare to the 2002 proxy for 20 ##

(6) The correcting entry should be shown in the year the entry was made. The true-up of the carrying charges will have to be reviewed.

(7) Carrying charges are calculated on a simple interest basis.

(8) (i) PILs collected from customers from March 1, 2002 to March 31, 2004 were based on a fixed charge and a volumetric charge recovery by class. The PILs rate components for Q4, 2001and 2002 were calculated in the 2002 approved RAM on sheet 6 and sheet 8. In April 2004, the PILs recovery was based on the 2002 PILs tax proxy recovered by the volumetric rate by class as calculated on sheet 7 of the 2004 RAM.
The 2005 PILs tax proxy is being recovered on a volumetric basis by class.

(ii) Collections should equal: (a) the actual volumes/ load (kWhs, kWs, Kva) for the period (including net unbilled at period end), multiplied by the PILs volumetric proxy rates by class (from the Q4, 2001and 2002 RAM worksheets) for 2002, 2003 and January 1 to March 31, 2004; plus, (b) customer counts by class in the same period multiplied by the PILs fixed charge rate components.

In 2004, use the Board-approved 2002 PILs proxy, recovered on a volumetric basis by class as calculated by the 2004 RAM, sheet 7, for the period April 1 to December 31, 2004, and add this total to the results from the sentence above for January 1 to March 31, 2004.

In 2005, use the Board-approved 2005 PILs proxy, recovered on a volumetric basis by class as calculated by the 2005 RAM, sheet 4, for the period April 1 to December 31, 2005. To this total, the 2004 volumetric PILs proxy rate by class should be used to calculate the recovery for the period January 1 to March 31, 2005.

(9) Any interim PILs recovery from Board Decisions will be recorded in APH Account # 1590. Final reconciliation of PILs proxy taxes will have to include amounts from 1562 and from 1590.

Attachment Y

PILs 1562 Continuity Schedule

WATERLOO NORTH HYDRO INC.

PILs 1562 | **April-12**

Alternative 1

				BALANCE SHEET							INCOME STATEMENT					
				#1100		#1562		# 1562 Sub-Acct			#4080		#4080 Sub-Acct		#4405	
Date	Description	Annual Billing to Customers	Annual Proxy	Accounts Receivable		Deferred PILs		Deferred PILs - Interest Receivable		Annual Carry Charge	Distrib Serv Rev		Distrib Serv Rev - Sub - Acct		Interest and Dividend Income	
				DR(CR)	Balance	DR(CR)	Balance	DR(CR)	Balance		DR(CR)	Balance	DR(CR)	Balance	DR(CR)	Balance
2001																
Oct 31	PILs monthly accrual (1)				-	337,720	337,720	-	-			-	(337,720)	(337,720)	-	-
Nov 28	PILs monthly accrual (1)				-	337,720	675,441	2,040	2,040			-	(337,720)	(675,441)	(2,040)	(2,040)
Dec 31	PILs monthly accrual (1)		1,013,161		-	337,720	1,013,161	4,081	6,121	6,121		-	(337,720)	(1,013,161)	(4,081)	(6,121)
															-	
2002															-	
Jan 31	PILs monthly accrual (2)				-	280,870	1,294,031	6,121	12,242			-	(280,870)	(1,294,031)	(6,121)	(12,242)
Feb 28	PILs monthly accrual (2)				-	280,870	1,574,900	7,818	20,060			-	(280,870)	(1,574,900)	(7,818)	(20,060)
Mar 31	PILs monthly accrual (2)				-	280,870	1,855,770		20,060			-	(280,870)	(1,855,770)	-	(20,060)
	Billed to Customers (3)			22,953	22,953		1,855,770		20,060		(22,953)	(22,953)		(1,855,770)	-	(20,060)
	Transfer PILs Billed from Revenue				22,953	(22,953)	1,832,817	9,515	29,575		22,953	-		(1,855,770)	(9,515)	(29,575)
Apr 30	PILs monthly accrual (2)				22,953	280,870	2,113,686		29,575			-	(280,870)	(2,136,639)	-	(29,575)
	Billed to Customers (3)			310,466	333,419		2,113,686		29,575		(310,466)	(310,466)		(2,136,639)	-	(29,575)
	Transfer PILs Billed from Revenue				333,419	(310,466)	1,803,220	11,073	40,649		310,466	-		(2,136,639)	(11,073)	(40,649)
May 31	PILs monthly accrual (2)				333,419	280,870	2,084,090		40,649			-	(280,870)	(2,417,509)	-	(40,649)
	Billed to Customers (3)			373,509	706,927		2,084,090		40,649		(373,509)	(373,509)		(2,417,509)	-	(40,649)
	Transfer PILs Billed from Revenue				706,927	(373,509)	1,710,581	10,894	51,543		373,509	-		(2,417,509)	(10,894)	(51,543)
June 30	PILs monthly accrual (2)				706,927	280,870	1,991,451		51,543			-	(280,870)	(2,698,378)	-	(51,543)
	Billed to Customers (3)			355,962	1,062,889		1,991,451		51,543		(355,962)	(355,962)		(2,698,378)	-	(51,543)
	Transfer PILs Billed from Revenue				1,062,889	(355,962)	1,635,489	10,335	61,878		355,962	-		(2,698,378)	(10,335)	(61,878)
	2001 True Up Variance					7,980	1,643,469						(7,980)	(2,706,358)		
July 31	PILs monthly accrual (2)				1,062,889	280,870	1,924,339		61,878			-	(280,870)	(2,987,228)	-	(61,878)
	Billed to Customers (3)			386,257	1,449,146		1,924,339		61,878		(386,257)	(386,257)		(2,987,228)	-	(61,878)
	Transfer PILs Billed from Revenue				1,449,146	(386,257)	1,538,082	9,929	71,807		386,257	-		(2,987,228)	(9,929)	(71,807)
Aug 31	PILs monthly accrual (2)				1,449,146	280,870	1,818,951		71,807			-	(280,870)	(3,268,097)	-	(71,807)
	Billed to Customers (3)			369,976	1,819,122		1,818,951		71,807		(369,976)	(369,976)		(3,268,097)	-	(71,807)
	Transfer PILs Billed from Revenue				1,819,122	(369,976)	1,448,976	9,293	81,100		369,976	-		(3,268,097)	(9,293)	(81,100)
Sept 30	PILs monthly accrual (2)				1,819,122	280,870	1,729,845		81,100			-	(280,870)	(3,548,967)	-	(81,100)
	Billed to Customers (3)			400,656	2,219,778		1,729,845		81,100		(400,656)	(400,656)		(3,548,967)	-	(81,100)
	Transfer PILs Billed from Revenue				2,219,778	(400,656)	1,329,189	8,754	89,854		400,656	-		(3,548,967)	(8,754)	(89,854)
Oct 31	PILs monthly accrual (2)				2,219,778	280,870	1,610,058		89,854			-	(280,870)	(3,829,836)	-	(89,854)
	Billed to Customers (3)			339,482	2,559,260		1,610,058		89,854		(339,482)	(339,482)		(3,829,836)	-	(89,854)
	Transfer PILs Billed from Revenue				2,559,260	(339,482)	1,270,576	8,031	97,885		339,482	-		(3,829,836)	(8,031)	(97,885)
Nov 30	PILs monthly accrual (2)				2,559,260	280,870	1,551,446		97,885			-	(280,870)	(4,110,706)	-	(97,885)
	Billed to Customers (3)			398,821	2,958,081		1,551,446		97,885		(398,821)	(398,821)		(4,110,706)	-	(97,885)
	Transfer PILs Billed from Revenue				2,958,081	(398,821)	1,152,625	7,676	105,561		398,821	-		(4,110,706)	(7,676)	(105,561)
Dec 31	PILs monthly accrual (2)				2,958,081	280,870	1,433,494		105,561			-	(280,870)	(4,391,575)	-	(105,561)
	Billed to Customers (3)			328,649	3,286,730		1,433,494		105,561		(328,649)	(328,649)		(4,391,575)	-	(105,561)
	Transfer PILs Billed from Revenue				3,286,730	(328,649)	1,104,845	6,964	112,525		328,649	-		(4,391,575)	(6,964)	(112,525)
	Unbilled Rev Dec/02			514,982	3,801,712		1,104,845		112,525		(514,982)	(514,982)		(4,391,575)		(112,525)
	Transfer PILs Unilled from Revenue				3,801,712	(514,982)	589,863		112,525		514,982	-		(4,391,575)		(112,525)
		3,801,712	**3,370,434**		**3,801,712**		**589,863**		**112,525**	**106,404**		-	-	(4,391,575)		(112,525)
Jan 1/03	Reverse Dec/02 Unbilled Revenue			(514,982)	3,286,730		589,863		112,525		514,982	514,982		(4,391,575)		(112,525)
	Reverse Transfer PILs Unbilled from Revenue				3,286,730	514,982	1,104,845		112,525		(514,982)	-		(4,391,575)		(112,525)
					3,286,730		1,104,845		112,525		-	-		(4,391,575)		(112,525)
					3,286,730	-	1,104,845		112,525		-	-		(4,391,575)		(112,525)
Jan 31	PILs monthly accrual (4)				3,286,730	365,300	1,470,145		112,525			-	(365,300)	(4,756,875)	-	(112,525)
	Billed to Customers (3)			412,291	3,699,021		1,470,145		112,525		(412,291)	(412,291)		(4,756,875)	-	(112,525)
	Transfer PILs Billed from Revenue				3,699,021	(412,291)	1,057,854	3,564	116,089		412,291	-		(4,756,875)	(3,564)	(116,089)
Feb 28	PILs monthly accrual (4)				3,699,021	365,300	1,423,154		116,089			-	(365,300)	(5,122,174)	-	(116,089)
	Billed to Customers (3)			347,251	4,046,271		1,423,154		116,089		(347,251)	(347,251)		(5,122,174)	-	(116,089)
	Transfer PILs Billed from Revenue				4,046,271	(347,251)	1,075,903	6,391	122,480		347,251	-		(5,122,174)	(6,391)	(122,480)
Mar 31	PILs monthly accrual (4)				4,046,271	365,300	1,441,203		122,480			-	(365,300)	(5,487,474)	-	(122,480)
	Billed to Customers (3)			421,261	4,467,533		1,441,203		122,480		(421,261)	(421,261)		(5,487,474)	-	(122,480)
	Transfer PILs Billed from Revenue				4,467,533	(421,261)	1,019,941	6,500	128,980		421,261	-		(5,487,474)	(6,500)	(128,980)
Apr 30	PILs monthly accrual (4)				4,467,533	365,300	1,385,241		128,980			-	(365,300)	(5,852,774)	-	(128,980)
	Billed to Customers (3)			341,162	4,808,695		1,385,241		128,980		(341,162)	(341,162)		(5,852,774)	-	(128,980)
	Transfer PILs Billed from Revenue				4,808,695	(341,162)	1,044,079	6,162	135,142		341,162	-		(5,852,774)	(6,162)	(135,142)
May 31	PILs monthly accrual (4)				4,808,695	365,300	1,409,378		135,142			-	(365,300)	(6,218,073)	-	(135,142)
	Billed to Customers (3)			413,008	5,221,703		1,409,378		135,142		(413,008)	(413,008)		(6,218,073)	-	(135,142)
	Transfer PILs Billed from Revenue				5,221,703	(413,008)	996,371	6,308	141,450		413,008	-		(6,218,073)	(6,308)	(141,450)
June 30	PILs monthly accrual (4)				5,221,703	365,300	1,361,670		141,450			-	(365,300)	(6,583,373)	-	(141,450)
	Billed to Customers (3)			325,897	5,547,599		1,361,670		141,450		(325,897)	(325,897)		(6,583,373)	-	(141,450)
	Transfer PILs Billed from Revenue				5,547,599	(325,897)	1,035,774	6,020	147,470		325,897	-		(6,583,373)	(6,020)	(147,470)
	2002 True Up Variance				5,547,599	(40,749)	995,024		147,470			-	40,749	(6,542,623)		(147,470)
July 31	PILs monthly accrual (4)				5,547,599	365,300	1,360,324		147,470			-	(365,300)	(6,907,923)		(147,470)
	Billed to Customers (3)			408,089	5,955,688		1,360,324		147,470		(408,089)	(408,089)		(6,907,923)		(147,470)
	Transfer PILs Billed from Revenue				5,955,688	(408,089)	952,235	6,012	153,481		408,089	-		(6,907,923)	(6,012)	(153,481)

WATERLOO NORTH HYDRO INC.

PILs 1562	April-12

Alternative 1

				BALANCE SHEET							INCOME STATEMENT					
				#1100		#1562		# 1562 Sub-Acct			#4080		#4080 Sub-Acct		#4405	
Date	Description	Annual Billing to Customers	Annual Proxy	Accounts Receivable		Deferred PILs		Deferred PILs - Interest Receivable		Annual Carry Charge	Distrib Serv Rev		Distrib Serv Rev - Sub - Acct		Interest and Dividend Income	
				DR(CR)	Balance	DR(CR)	Balance	DR(CR)	Balance		DR(CR)	Balance	DR(CR)	Balance	DR(CR)	Balance
Aug 31	PILs monthly accrual (4)				5,955,688	365,300	1,317,534		153,481			-	(365,300)	(7,273,223)		(153,481)
	Billed to Customers (3)			334,874	6,290,562		1,317,534		153,481		(334,874)	(334,874)		(7,273,223)		(153,481)
	Transfer PILs Billed from Revenue				6,290,562	(334,874)	982,661	5,753	159,235		334,874	-		(7,273,223)	(5,753)	(159,235)
Sept 30	PILs monthly accrual (4)				6,290,562	365,300	1,347,960		159,235			-	(365,300)	(7,638,522)		(159,235)
	Billed to Customers (3)			425,312	6,715,874		1,347,960		159,235		(425,312)	(425,312)		(7,638,522)		(159,235)
	Transfer PILs Billed from Revenue				6,715,874	(425,312)	922,648	5,937	165,171		425,312	-		(7,638,522)	(5,937)	(165,171)
Oct 31	PILs monthly accrual (4)				6,715,874	365,300	1,287,948		165,171			-	(365,300)	(8,003,822)		(165,171)
	Billed to Customers (3)			331,016	7,046,890		1,287,948		165,171		(331,016)	(331,016)		(8,003,822)		(165,171)
	Transfer PILs Billed from Revenue				7,046,890	(331,016)	956,932	5,574	170,746		331,016	-		(8,003,822)	(5,574)	(170,746)
Nov 30	PILs monthly accrual (4)				7,046,890	365,300	1,322,231		170,746			-	(365,300)	(8,369,121)		(170,746)
	Billed to Customers (3)			406,968	7,453,859		1,322,231		170,746		(406,968)	(406,968)		(8,369,121)		(170,746)
	Transfer PILs Billed from Revenue				7,453,859	(406,968)	915,263	5,781	176,527		406,968	-		(8,369,121)	(5,781)	(176,527)
Dec 31	PILs monthly accrual (4)				7,453,859	365,300	1,280,562		176,527			-	(365,300)	(8,734,421)		(176,527)
	Billed to Customers (3)			330,540	7,784,399		1,280,562		176,527		(330,540)	(330,540)		(8,734,421)		(176,527)
	Transfer PILs Billed from Revenue				7,784,399	(330,540)	950,022	5,530	182,057		330,540	-		(8,734,421)	(5,530)	(182,057)
	Unbilled Rev Dec/03 V4			537,874	8,322,272		950,022		182,057		(537,874)	(537,874)		(8,734,421)		(182,057)
	Transfer PILs Unilled from Revenue	4,520,560	4,383,595		8,322,272	(537,874)	412,149		182,057	69,532	537,874	-		(8,734,421)		(182,057)
Jan 1/04	Reverse Dec/03 Unbilled Revenue			(537,874)	7,784,399		412,149		182,057		537,874	537,874		(8,734,421)		(182,057)
	Reverse Transfer PILs Unbilled from Revenue				7,784,399	537,874	950,022		182,057		(537,874)	-		(8,734,421)		(182,057)
							950,022		182,057			-	-	(8,734,421)		(182,057)
							950,022		182,057			-		(8,734,421)		(182,057)
Jan 31	PILs monthly accrual (4)				7,784,399	365,300	1,315,322		182,057			-	(365,300)	(9,099,721)		(182,057)
	Billed to Customers (3)			420,118	8,204,517		1,315,322		182,057		(420,118)	(420,118)		(9,099,721)		(182,057)
	Transfer PILs Billed from Revenue				8,204,517	(420,118)	895,203	2,490	184,547		420,118	-		(9,099,721)	(2,490)	(184,547)
Feb 29	PILs monthly accrual (4)				8,204,517	365,300	1,260,503		184,547			-	(365,300)	(9,465,020)		(184,547)
	Billed to Customers (3)			349,994	8,554,511		1,260,503		184,547		(349,994)	(349,994)		(9,465,020)		(184,547)
	Transfer PILs Billed from Revenue				8,554,511	(349,994)	910,509	5,409	189,956		349,994	-		(9,465,020)	(5,409)	(189,956)
Mar 31	PILs monthly accrual (4)				8,554,511	365,300	1,275,808		189,956			-	(365,300)	(9,830,320)		(189,956)
	Billed to Customers (3)			716,280	9,270,791		1,275,808		189,956		(716,280)	(716,280)		(9,830,320)		(189,956)
	Transfer PILs Billed from Revenue				9,270,791	(716,280)	559,528	5,501	195,457		716,280	-		(9,830,320)	(5,501)	(195,457)
Apr 30	PILs monthly accrual (2)				9,270,791	280,870	840,398		195,457			-	(280,870)	(10,111,189)		(195,457)
	Billed to Customers (3)			173,163	9,443,954		840,398		195,457		(173,163)	(173,163)		(10,111,189)		(195,457)
	Transfer PILs Billed from Revenue				9,443,954	(173,163)	667,235	3,380	198,837		173,163	-		(10,111,189)	(3,380)	(198,837)
May 31	PILs monthly accrual (2)				9,443,954	280,870	948,105		198,837			-	(280,870)	(10,392,059)		(198,837)
	Billed to Customers (3)			241,484	9,685,438		948,105		198,837		(241,484)	(241,484)		(10,392,059)		(198,837)
	Transfer PILs Billed from Revenue				9,685,438	(241,484)	706,620	4,031	202,868		241,484	-		(10,392,059)	(4,031)	(202,868)
June 30	PILs monthly accrual (2)				9,685,438	280,870	987,490		202,868			-	(280,870)	(10,672,928)		(202,868)
	Billed to Customers (3)			218,763	9,904,201		987,490		202,868		(218,763)	(218,763)		(10,672,928)		(202,868)
	Transfer PILs Billed from Revenue				9,904,201	(218,763)	768,727	4,269	207,137		218,763	-		(10,672,928)	(4,269)	(207,137)
	2 True up amounts for 2003				9,904,201	(860,797)	(92,070)		207,137			-	860,797	(9,812,131)		(207,137)
July 31	PILs monthly accrual (2)				9,904,201	280,870	188,799		207,137			-	(280,870)	(10,953,798)		(207,137)
	Billed to Customers (3)			277,119	10,181,321		188,799		207,137		(277,119)	(277,119)		(10,953,798)		(207,137)
	Transfer PILs Billed from Revenue				10,181,321	(277,119)	(88,320)	(556)	206,581		277,119	-		(10,953,798)	556	(206,581)
Aug 31	PILs monthly accrual (2)				10,181,321	280,870	192,549		206,581			-	(280,870)	(11,234,667)		(206,581)
	Billed to Customers (3)			229,603	10,410,924		192,549		206,581		(229,603)	(229,603)		(11,234,667)		(206,581)
	Transfer PILs Billed from Revenue				10,410,924	(229,603)	(37,053)	(534)	206,048		229,603	-		(11,234,667)	534	(206,048)
Sept 30	PILs monthly accrual (2)				10,410,924	280,870	243,816		206,048			-	(280,870)	(11,515,537)		(206,048)
	Billed to Customers (3)			296,206	10,707,130		243,816		206,048		(296,206)	(296,206)		(11,515,537)		(206,048)
	Transfer PILs Billed from Revenue				10,707,130	(296,206)	(52,390)	(224)	205,824		296,206	-		(11,515,537)	224	(205,824)
Oct 31	PILs monthly accrual (2)				10,707,130	280,870	228,479		205,824			-	(280,870)	(11,796,406)		(205,824)
	Billed to Customers (3)			228,434	10,935,564		228,479		205,824		(228,434)	(228,434)		(11,796,406)		(205,824)
	Transfer PILs Billed from Revenue				10,935,564	(228,434)	46	(317)	205,507		228,434	-		(11,796,406)	317	(205,507)
Nov 30	PILs monthly accrual (2)				10,935,564	280,870	280,915		205,507			-	(280,870)	(12,077,276)		(205,507)
	Billed to Customers (3)			280,305	11,215,869		280,915		205,507		(280,305)	(280,305)		(12,077,276)		(205,507)
	Transfer PILs Billed from Revenue				11,215,869	(280,305)	610	0	205,507		280,305	-		(12,077,276)	(0)	(205,507)
Dec 31	PILs monthly accrual (2)				11,215,869	280,870	281,479		205,507			-	(280,870)	(12,358,145)		(205,507)
	Billed to Customers (3)			227,668	11,443,537		281,479		205,507		(227,668)	(227,668)		(12,358,145)		(205,507)
	Transfer PILs Billed from Revenue				11,443,537	(227,668)	53,811	4	205,511		227,668	-		(12,358,145)	(4)	(205,511)
	Unbilled Rev Dec/04 V3			424,389	11,867,927		53,811		205,511		(424,389)	(424,389)		(12,358,145)		(205,511)
	Transfer PILs Unilled from Revenue	3,545,655	3,623,724		11,867,927	(424,389)	(370,579)		205,511	23,454	424,389	-		(12,358,145)		(205,511)
Jan 1/05	Reverse Dec/04 Unbilled Revenue			(424,389)	11,443,537		(370,579)		205,511		424,389	424,389		(12,358,145)		(205,511)
	Reverse Transfer PILs Unbilled from Revenue				11,443,537	424,389	53,811		205,511		(424,389)	-		(12,358,145)		(205,511)
					11,443,537		53,811		205,511			-		(12,358,145)		(205,511)
					11,443,537		53,811		205,511			-		(12,358,145)		(205,511)
Jan 31	PILs monthly accrual (2)				11,443,537	280,870	334,680		205,511			-	(280,870)	(12,639,015)		(205,511)
	Billed to Customers (3)			319,984	11,763,521		334,680		205,511		(319,984)	(319,984)		(12,639,015)		(205,511)
	Transfer PILs Billed from Revenue				11,763,521	(319,984)	14,697	(2,239)	203,272		319,984	-		(12,639,015)	2,239	(203,272)
Feb 29	PILs monthly accrual (2)				11,763,521	280,870	295,566		203,272			-	(280,870)	(12,919,884)		(203,272)

WATERLOO NORTH HYDRO INC.

PILs 1562 | **April-12** | **Alternative 1**

				BALANCE SHEET							INCOME STATEMENT					
				#1100		#1562		# 1562 Sub-Acct			#4080		#4080 Sub-Acct		#4405	
Date	Description	Annual Billing to Customers	Annual Proxy	Accounts Receivable		Deferred PILs		Deferred PILs - Interest Receivable		Annual Carry Charge	Distrib Serv Rev		Distrib Serv Rev - Sub - Acct		Interest and Dividend Income	
				DR(CR)	Balance	DR(CR)	Balance	DR(CR)	Balance		DR(CR)	Balance	DR(CR)	Balance	DR(CR)	Balance
	Billed to Customers (3)			272,589	12,036,110		295,566		203,272		(272,589)	(272,589)		(12,919,884)		(203,272)
	Transfer PILs Billed from Revenue				12,036,110	(272,589)	22,977	89	203,361		272,589	-		(12,919,884)	(89)	(203,361)
Mar 31	PILs monthly accrual (2)				12,036,110	280,870	303,847		203,361			-	(280,870)	(13,200,754)		(203,361)
	Billed to Customers (3)			327,677	12,363,787		303,847		203,361		(327,677)	(327,677)		(13,200,754)		(203,361)
	Transfer PILs Billed from Revenue				12,363,787	(327,677)	(23,830)	139	203,500		327,677	-		(13,200,754)	(139)	(203,500)
Apr 30	PILs monthly accrual (5)				12,363,787	283,199	259,368		203,500			-	(283,199)	(13,483,953)		(203,500)
	Billed to Customers (3)			261,430	12,625,217		259,368		203,500		(261,430)	(261,430)		(13,483,953)		(203,500)
	Transfer PILs Billed from Revenue				12,625,217	(261,430)	(2,061)	(144)	203,356		261,430	-		(13,483,953)	144	(203,356)
May 31	PILs monthly accrual (5)				12,625,217	283,199	281,138		203,356			-	(283,199)	(13,767,152)		(203,356)
	Billed to Customers (3)			315,395	12,940,612		281,138		203,356		(315,395)	(315,395)		(13,767,152)		(203,356)
	Transfer PILs Billed from Revenue				12,940,612	(315,395)	(34,258)	(12)	203,343		315,395	-		(13,767,152)	12	(203,343)
June 30	PILs monthly accrual (5)				12,940,612	283,199	248,941		203,343			-	(283,199)	(14,050,351)		(203,343)
	Billed to Customers (3)			237,501	13,178,113		248,941		203,343		(237,501)	(237,501)		(14,050,351)		(203,343)
	Transfer PILs Billed from Revenue				13,178,113	(237,501)	11,440	(207)	203,136		237,501	-		(14,050,351)	207	(203,136)
	2 True up amounts for 2004					(541,629)	(530,189)		203,136				541,629	(13,508,722)		(203,136)
July 31	PILs monthly accrual (5)				13,178,113	283,199	(246,990)		203,136			-	(283,199)	(13,791,921)		(203,136)
	Billed to Customers (3)			332,343	13,510,456		(246,990)		203,136		(332,343)	(332,343)		(13,791,921)		(203,136)
	Transfer PILs Billed from Revenue				13,510,456	(332,343)	(579,333)	(3,203)	199,933		332,343	-		(13,791,921)	3,203	(199,933)
Aug 31	PILs monthly accrual (5)				13,510,456	283,199	(296,134)		199,933			-	(283,199)	(14,075,120)		(199,933)
	Billed to Customers (3)			278,493	13,788,950		(296,134)		199,933		(278,493)	(278,493)		(14,075,120)		(199,933)
	Transfer PILs Billed from Revenue				13,788,950	(278,493)	(574,627)	(3,500)	196,433		278,493	-		(14,075,120)	3,500	(196,433)
Sept 30	PILs monthly accrual (5)				13,788,950	283,199	(291,428)		196,433			-	(283,199)	(14,358,319)		(196,433)
	Billed to Customers (3)			364,692	14,153,642		(291,428)		196,433		(364,692)	(364,692)		(14,358,319)		(196,433)
	Transfer PILs Billed from Revenue				14,153,642	(364,692)	(656,120)	(3,472)	192,961		364,692	-		(14,358,319)	3,472	(192,961)
Oct 31	PILs monthly accrual (5)				14,153,642	283,199	(372,921)		192,961			-	(283,199)	(14,641,517)		(192,961)
	Billed to Customers (3)			257,109	14,410,751		(372,921)		192,961		(257,109)	(257,109)		(14,641,517)		(192,961)
	Transfer PILs Billed from Revenue				14,410,751	(257,109)	(630,031)	(3,964)	188,997		257,109	-		(14,641,517)	3,964	(188,997)
Nov 30	PILs monthly accrual (5)				14,410,751	283,199	(346,832)		188,997			-	(283,199)	(14,924,716)		(188,997)
	Billed to Customers (3)			309,013	14,719,764		(346,832)		188,997		(309,013)	(309,013)		(14,924,716)		(188,997)
	Transfer PILs Billed from Revenue				14,719,764	(309,013)	(655,845)	(3,806)	185,191		309,013	-		(14,924,716)	3,806	(185,191)
Dec 31	PILs monthly accrual (5)				14,719,764	283,199	(372,646)		185,191			-	(283,199)	(15,207,915)		(185,191)
	Billed to Customers (3)			248,944	14,968,708		(372,646)		185,191		(248,944)	(248,944)		(15,207,915)		(185,191)
	Transfer PILs Billed from Revenue				14,968,708	(248,944)	(621,590)	(3,962)	181,228		248,944	-		(15,207,915)	3,962	(181,228)
	Unbilled Rev Dec/05			**439,248**	15,407,956		(621,590)		181,228		(439,248)	(439,248)		(15,207,915)		(181,228)
	Transfer PILs Unbilled from Revenue	**3,540,029**	**3,391,399**		**15,407,956**	(439,248)	(1,060,838)		**181,228**	**(24,283)**	439,248	-		(15,207,915)		(181,228)
Jan 1/06	Reverse Dec/04 Unbilled Revenue			**(439,248)**	14,968,708		(1,060,838)		181,228		439,248	439,248		(15,207,915)		(181,228)
	Reverse Transfer Dec/05 Unbill Revenue				14,968,708	439,248	(621,590)		181,228		(439,248)	-		(15,207,915)		(181,228)
Jan 31	PILs monthly accrual (5)				14,968,708	283,199	(338,391)		181,228			-	(283,199)	(15,491,114)		(181,228)
	Billed to Customers (3)			320,434	15,289,142		(338,391)		181,228		(320,434)	(320,434)		(15,491,114)		(181,228)
	Transfer PILs Billed from Revenue				15,289,142	(320,434)	(658,825)	(6,409)	174,819		320,434	-		(15,491,114)	6,409	(174,819)
Feb 28	PILs monthly accrual (5)				15,289,142	283,199	(375,626)		174,819			-	(283,199)	(15,774,313)		(174,819)
	Billed to Customers (3)			307,810	15,596,953		(375,626)		174,819		(307,810)	(307,810)		(15,774,313)		(174,819)
	Transfer PILs Billed from Revenue				15,596,953	(307,810)	(683,436)	(3,980)	170,839		307,810	-		(15,774,313)	3,980	(170,839)
Mar 31	PILs monthly accrual (5)				15,596,953	283,199	(400,237)		170,839			-	(283,199)	(16,057,512)		(170,839)
	Billed to Customers (3)			364,397	15,961,350		(400,237)		170,839		(364,397)	(364,397)		(16,057,512)		(170,839)
	Transfer PILs Billed from Revenue				15,961,350	(364,397)	(764,635)	(4,129)	166,710		364,397	-		(16,057,512)	4,129	(166,710)
Apr 30	PILs monthly accrual (5)				15,961,350	283,199	(481,436)		166,710			-	(283,199)	(16,340,711)		(166,710)
	Billed to Customers (3) & Accruall My-Sept			616,379	16,577,728		(481,436)		166,710		(616,379)	(616,379)		(16,340,711)		(166,710)
	Transfer PILs Billed from Revenue				16,577,728	(616,379)	(1,097,814)	(4,620)	162,090		616,379	-		(16,340,711)	4,620	(162,090)
(1,060,684)	2 True up amounts for 2005	**1,169,772**	**1,132,796**		**16,577,728**	(124,960)	(1,222,774)		**162,090**	**(19,138)**			124,960	(16,215,751)		
May 31	PILs monthly accrual				16,577,728		(1,222,774)		162,090			-	-	(16,215,751)		(162,090)
	Billed to Customers				16,577,728		(1,222,774)		162,090		-	-		(16,215,751)		(162,090)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(4,219)	157,871		-	-		(16,215,751)	4,219	(157,871)
June 30	PILs monthly accrual				16,577,728		(1,222,774)		157,871			-	-	(16,215,751)		(157,871)
	Billed to Customers				16,577,728		(1,222,774)		157,871		-	-		(16,215,751)		(157,871)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(4,219)	153,653		-	-		(16,215,751)	4,219	(153,653)
					16,577,728		(1,222,774)		153,653				-	(16,215,751)		(153,653)
July 31	PILs monthly accrual				16,577,728		(1,222,774)		153,653			-	-	(16,215,751)		(153,653)
	Billed to Customers				16,577,728		(1,222,774)		153,653		-	-		(16,215,751)		(153,653)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(4,677)	148,976		-	-		(16,215,751)	4,677	(148,976)
Aug 31	PILs monthly accrual				16,577,728		(1,222,774)		148,976			-	-	(16,215,751)		(148,976)
	Billed to Customers				16,577,728		(1,222,774)		148,976		-	-		(16,215,751)		(148,976)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(4,677)	144,299		-	-		(16,215,751)	4,677	(144,299)
Sept 30	PILs monthly accrual				16,577,728		(1,222,774)		144,299			-	-	(16,215,751)		(144,299)
	Billed to Customers				16,577,728		(1,222,774)		144,299		-	-		(16,215,751)		(144,299)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(4,677)	139,622		-	-		(16,215,751)	4,677	(139,622)
Oct 31	PILs monthly accrual				16,577,728		(1,222,774)		139,622			-	-	(16,215,751)		(139,622)
	Billed to Customers				16,577,728		(1,222,774)		139,622		-	-		(16,215,751)		(139,622)

WATERLOO NORTH HYDRO INC.

PILs 1562	April-12

Alternative 1

				BALANCE SHEET							INCOME STATEMENT					
				#1100		#1562		# 1562 Sub-Acct			#4080		#4080 Sub-Acct		#4405	
Date	Description	Annual Billing to Customers	Annual Proxy	Accounts Receivable		Deferred PILs		Deferred PILs - Interest Receivable		Annual Carry Charge	Distrib Serv Rev		Distrib Serv Rev - Sub - Acct		Interest and Dividend Income	
				DR(CR)	Balance	DR(CR)	Balance	DR(CR)	Balance		DR(CR)	Balance	DR(CR)	Balance	DR(CR)	Balance
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(4,677)	134,944		-	-		(16,215,751)	4,677	(134,944)
Nov 30	PILs monthly accrual				16,577,728		(1,222,774)		134,944			-	-	(16,215,751)		(134,944)
	Billed to Customers				16,577,728		(1,222,774)		134,944		-	-		(16,215,751)		(134,944)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(4,677)	130,267		-	-		(16,215,751)	4,677	(130,267)
Dec 31	PILs monthly accrual				16,577,728		(1,222,774)		130,267			-	-	(16,215,751)		(130,267)
	Billed to Customers				16,577,728		(1,222,774)		130,267	Jan-Apr/06	-	-		(16,215,751)		(130,267)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(4,677)	**125,590**	**(36,500)**	-	-		(16,215,751)	4,677	(125,590)
Jan 31/07	PILs monthly accrual				16,577,728		(1,222,774)		125,590	Jan-Dec/06		-	-	(16,215,751)		(125,590)
	Billed to Customers				16,577,728		(1,222,774)		125,590	**(55,638)**	-	-		(16,215,751)		(125,590)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(4,677)	120,913		-	-		(16,215,751)	4,677	(120,913)
Feb 28	PILs monthly accrual				16,577,728		(1,222,774)		120,913			-	-	(16,215,751)		(120,913)
	Billed to Customers				16,577,728		(1,222,774)		120,913		-	-		(16,215,751)		(120,913)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(4,677)	116,236		-	-		(16,215,751)	4,677	(116,236)
Mar 31	PILs monthly accrual				16,577,728		(1,222,774)		116,236			-	-	(16,215,751)		(116,236)
	Billed to Customers				16,577,728		(1,222,774)		116,236		-	-		(16,215,751)		(116,236)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(4,677)	111,559		-	-		(16,215,751)	4,677	(111,559)
Apr 30	PILs monthly accrual				16,577,728		(1,222,774)		111,559			-	-	(16,215,751)		(111,559)
	Billed to Customers				16,577,728		(1,222,774)		111,559		-	-		(16,215,751)		(111,559)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(4,677)	106,882		-	-		(16,215,751)	4,677	(106,882)
May 31	PILs monthly accrual				16,577,728		(1,222,774)		106,882			-	-	(16,215,751)		(106,882)
	Billed to Customers				16,577,728		(1,222,774)		106,882		-	-		(16,215,751)		(106,882)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(4,677)	102,205		-	-		(16,215,751)	4,677	(102,205)
June 30	PILs monthly accrual				16,577,728		(1,222,774)		102,205			-	-	(16,215,751)		(102,205)
	Billed to Customers				16,577,728		(1,222,774)		102,205		-	-		(16,215,751)		(102,205)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(4,677)	97,528		-	-		(16,215,751)	4,677	(97,528)
July 31	PILs monthly accrual				16,577,728		(1,222,774)		97,528			-	-	(16,215,751)		(97,528)
	Billed to Customers				16,577,728		(1,222,774)		97,528		-	-		(16,215,751)		(97,528)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(4,677)	92,850		-	-		(16,215,751)	4,677	(92,850)
Aug 31	PILs monthly accrual				16,577,728		(1,222,774)		92,850			-	-	(16,215,751)		(92,850)
	Billed to Customers				16,577,728		(1,222,774)		92,850		-	-		(16,215,751)		(92,850)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(4,677)	88,173		-	-		(16,215,751)	4,677	(88,173)
Sept 30	PILs monthly accrual				16,577,728		(1,222,774)		88,173			-	-	(16,215,751)		(88,173)
	Billed to Customers				16,577,728		(1,222,774)		88,173		-	-		(16,215,751)		(88,173)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(4,677)	83,496		-	-		(16,215,751)	4,677	(83,496)
Oct 31	PILs monthly accrual				16,577,728		(1,222,774)		83,496			-	-	(16,215,751)		(83,496)
	Billed to Customers				16,577,728		(1,222,774)		83,496		-	-		(16,215,751)		(83,496)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(5,238)	78,259		-	-		(16,215,751)	5,238	(78,259)
Nov 30	PILs monthly accrual				16,577,728		(1,222,774)		78,259			-	-	(16,215,751)		(78,259)
	Billed to Customers				16,577,728		(1,222,774)		78,259		-	-		(16,215,751)		(78,259)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(5,238)	73,021		-	-		(16,215,751)	5,238	(73,021)
Dec 31	PILs monthly accrual				16,577,728		(1,222,774)		73,021			-	-	(16,215,751)		(73,021)
	Billed to Customers				16,577,728		(1,222,774)		73,021		-	-		(16,215,751)		(73,021)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(5,238)	**67,784**	**(57,807)**	-	-		(16,215,751)	5,238	(67,784)
Jan 31/08	PILs monthly accrual				16,577,728		(1,222,774)		67,784			-	-	(16,215,751)		(67,784)
	Billed to Customers				16,577,728		(1,222,774)		67,784		-	-		(16,215,751)		(67,784)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(5,238)	62,546		-	-		(16,215,751)	5,238	(62,546)
Feb 29	PILs monthly accrual				16,577,728		(1,222,774)		62,546			-	-	(16,215,751)		(62,546)
	Billed to Customers				16,577,728		(1,222,774)		62,546		-	-		(16,215,751)		(62,546)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(5,238)	57,308		-	-		(16,215,751)	5,238	(57,308)
Mar 31	PILs monthly accrual				16,577,728		(1,222,774)		57,308			-	-	(16,215,751)		(57,308)
	Billed to Customers				16,577,728		(1,222,774)		57,308		-	-		(16,215,751)		(57,308)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(5,238)	52,071		-	-		(16,215,751)	5,238	(52,071)
Apr 30	PILs monthly accrual				16,577,728		(1,222,774)		52,071			-	-	(16,215,751)		(52,071)
	Billed to Customers				16,577,728		(1,222,774)		52,071		-	-		(16,215,751)		(52,071)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(4,157)	47,913		-	-		(16,215,751)	4,157	(47,913)
May 31	PILs monthly accrual				16,577,728		(1,222,774)		47,913			-	-	(16,215,751)		(47,913)
	Billed to Customers				16,577,728		(1,222,774)		47,913		-	-		(16,215,751)		(47,913)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(4,157)	43,756		-	-		(16,215,751)	4,157	(43,756)
June 30	PILs monthly accrual				16,577,728		(1,222,774)		43,756			-	-	(16,215,751)		(43,756)
	Billed to Customers				16,577,728		(1,222,774)		43,756		-	-		(16,215,751)		(43,756)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(4,157)	39,599		-	-		(16,215,751)	4,157	(39,599)
July 31	PILs monthly accrual				16,577,728		(1,222,774)		39,599			-	-	(16,215,751)		(39,599)
	Billed to Customers				16,577,728		(1,222,774)		39,599		-	-		(16,215,751)		(39,599)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(3,414)	36,185		-	-		(16,215,751)	3,414	(36,185)
Aug 31	PILs monthly accrual				16,577,728		(1,222,774)		36,185			-	-	(16,215,751)		(36,185)
	Billed to Customers				16,577,728		(1,222,774)		36,185		-	-		(16,215,751)		(36,185)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(3,414)	32,771		-	-		(16,215,751)	3,414	(32,771)
Sept 30	PILs monthly accrual				16,577,728		(1,222,774)		32,771			-	-	(16,215,751)		(32,771)

WATERLOO NORTH HYDRO INC.

PILs 1562	April-12

Alternative 1

				BALANCE SHEET							INCOME STATEMENT					
				#1100		#1562		# 1562 Sub-Acct			#4080		#4080 Sub-Acct		#4405	
Date	Description	Annual Billing to Customers	Annual Proxy	Accounts Receivable		Deferred PILs		Deferred PILs - Interest Receivable		Annual Carry Charge	Distrib Serv Rev		Distrib Serv Rev - Sub - Acct		Interest and Dividend Income	
				DR(CR)	Balance	DR(CR)	Balance	DR(CR)	Balance		DR(CR)	Balance	DR(CR)	Balance	DR(CR)	Balance
	Billed to Customers				16,577,728		(1,222,774)		32,771		-	-		(16,215,751)		(32,771)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(3,414)	29,358		-	-		(16,215,751)	3,414	(29,358)
Oct 31	PILs monthly accrual				16,577,728		(1,222,774)		29,358		-	-	-	(16,215,751)		(29,358)
	Billed to Customers				16,577,728		(1,222,774)		29,358		-	-		(16,215,751)		(29,358)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(3,414)	25,944		-	-		(16,215,751)	3,414	(25,944)
Nov 30	PILs monthly accrual				16,577,728		(1,222,774)		25,944		-	-	-	(16,215,751)		(25,944)
	Billed to Customers				16,577,728		(1,222,774)		25,944		-	-		(16,215,751)		(25,944)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(3,414)	22,531		-	-		(16,215,751)	3,414	(22,531)
Dec 31	PILs monthly accrual				16,577,728		(1,222,774)		22,531		-	-	-	(16,215,751)		(22,531)
	Billed to Customers				16,577,728		(1,222,774)		22,531		-	-		(16,215,751)		(22,531)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(3,414)	**19,117**	**(48,666)**	-	-		(16,215,751)	3,414	(19,117)
Jan 31/09	PILs monthly accrual				16,577,728		(1,222,774)		19,117		-	-	-	(16,215,751)		(19,117)
	Billed to Customers				16,577,728		(1,222,774)		19,117		-	-		(16,215,751)		(19,117)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(2,496)	16,621		-	-		(16,215,751)	2,496	(16,621)
Feb 28	PILs monthly accrual				16,577,728		(1,222,774)		16,621		-	-	-	(16,215,751)		(16,621)
	Billed to Customers				16,577,728		(1,222,774)		16,621		-	-		(16,215,751)		(16,621)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(2,496)	14,124		-	-		(16,215,751)	2,496	(14,124)
Mar 31	PILs monthly accrual				16,577,728		(1,222,774)		14,124		-	-	-	(16,215,751)		(14,124)
	Billed to Customers				16,577,728		(1,222,774)		14,124		-	-		(16,215,751)		(14,124)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(2,496)	11,628		-	-		(16,215,751)	2,496	(11,628)
Apr 30	PILs monthly accrual				16,577,728		(1,222,774)		11,628		-	-	-	(16,215,751)		(11,628)
	Billed to Customers				16,577,728		(1,222,774)		11,628		-	-		(16,215,751)		(11,628)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(1,019)	10,609		-	-		(16,215,751)	1,019	(10,609)
May 31	PILs monthly accrual				16,577,728		(1,222,774)		10,609		-	-	-	(16,215,751)		(10,609)
	Billed to Customers				16,577,728		(1,222,774)		10,609		-	-		(16,215,751)		(10,609)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(1,019)	9,590		-	-		(16,215,751)	1,019	(9,590)
June 30	PILs monthly accrual				16,577,728		(1,222,774)		9,590		-	-	-	(16,215,751)		(9,590)
	Billed to Customers				16,577,728		(1,222,774)		9,590		-	-		(16,215,751)		(9,590)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(1,019)	8,571		-	-		(16,215,751)	1,019	(8,571)
July 31	PILs monthly accrual				16,577,728		(1,222,774)		8,571		-	-	-	(16,215,751)		(8,571)
	Billed to Customers				16,577,728		(1,222,774)		8,571		-	-		(16,215,751)		(8,571)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(560)	8,010		-	-		(16,215,751)	560	(8,010)
Aug 31	PILs monthly accrual				16,577,728		(1,222,774)		8,010		-	-	-	(16,215,751)		(8,010)
	Billed to Customers				16,577,728		(1,222,774)		8,010		-	-		(16,215,751)		(8,010)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(560)	7,450		-	-		(16,215,751)	560	(7,450)
Sept 30	PILs monthly accrual				16,577,728		(1,222,774)		7,450		-	-	-	(16,215,751)		(7,450)
	Billed to Customers				16,577,728		(1,222,774)		7,450		-	-		(16,215,751)		(7,450)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(560)	6,889		-	-		(16,215,751)	560	(6,889)
Oct 31	PILs monthly accrual				16,577,728		(1,222,774)		6,889		-	-	-	(16,215,751)		(6,889)
	Billed to Customers				16,577,728		(1,222,774)		6,889		-	-		(16,215,751)		(6,889)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(560)	6,329		-	-		(16,215,751)	560	(6,329)
Nov 30	PILs monthly accrual				16,577,728		(1,222,774)		6,329		-	-	-	(16,215,751)		(6,329)
	Billed to Customers				16,577,728		(1,222,774)		6,329		-	-		(16,215,751)		(6,329)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(560)	5,769		-	-		(16,215,751)	560	(5,769)
Dec 31	PILs monthly accrual				16,577,728		(1,222,774)		5,769		-	-	-	(16,215,751)		(5,769)
	Billed to Customers				16,577,728		(1,222,774)		5,769		-	-		(16,215,751)		(5,769)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(560)	**5,208**	**(13,909)**	-	-		(16,215,751)	560	(5,208)
Jan 31/10	PILs monthly accrual				16,577,728		(1,222,774)		5,208		-	-	-	(16,215,751)		(5,208)
	Billed to Customers				16,577,728		(1,222,774)		5,208		-	-		(16,215,751)		(5,208)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(560)	4,648		-	-		(16,215,751)	560	(4,648)
Feb 28	PILs monthly accrual				16,577,728		(1,222,774)		4,648		-	-	-	(16,215,751)		(4,648)
	Billed to Customers				16,577,728		(1,222,774)		4,648		-	-		(16,215,751)		(4,648)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(560)	4,087		-	-		(16,215,751)	560	(4,087)
Mar 31	PILs monthly accrual				16,577,728		(1,222,774)		4,087		-	-	-	(16,215,751)		(4,087)
	Billed to Customers				16,577,728		(1,222,774)		4,087		-	-		(16,215,751)		(4,087)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(560)	3,527		-	-		(16,215,751)	560	(3,527)
Apr 30	PILs monthly accrual				16,577,728		(1,222,774)		3,527		-	-	-	(16,215,751)		(3,527)
	Billed to Customers				16,577,728		(1,222,774)		3,527		-	-		(16,215,751)		(3,527)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(560)	2,966		-	-		(16,215,751)	560	(2,966)
May 31	PILs monthly accrual				16,577,728		(1,222,774)		2,966		-	-	-	(16,215,751)		(2,966)
	Billed to Customers				16,577,728		(1,222,774)		2,966		-	-		(16,215,751)		(2,966)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(560)	2,406		-	-		(16,215,751)	560	(2,406)
June 30	PILs monthly accrual				16,577,728		(1,222,774)		2,406		-	-	-	(16,215,751)		(2,406)
	Billed to Customers				16,577,728		(1,222,774)		2,406		-	-		(16,215,751)		(2,406)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(560)	1,845		-	-		(16,215,751)	560	(1,845)
July 31	PILs monthly accrual				16,577,728		(1,222,774)		1,845		-	-	-	(16,215,751)		(1,845)
	Billed to Customers				16,577,728		(1,222,774)		1,845		-	-		(16,215,751)		(1,845)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(907)	939		-	-		(16,215,751)	907	(939)

WATERLOO NORTH HYDRO INC.

PILs 1562	April-12

Alternative 1

				BALANCE SHEET							INCOME STATEMENT					
				#1100		#1562		# 1562 Sub-Acct			#4080		#4080 Sub-Acct		#4405	
Date	Description	Annual Billing to Customers	Annual Proxy	Accounts Receivable		Deferred PILs		Deferred PILs - Interest Receivable		Annual Carry Charge	Distrib Serv Rev		Distrib Serv Rev - Sub - Acct		Interest and Dividend Income	
				DR(CR)	Balance	DR(CR)	Balance	DR(CR)	Balance		DR(CR)	Balance	DR(CR)	Balance	DR(CR)	Balance
Aug 31	PILs monthly accrual				16,577,728		(1,222,774)		939			-	-	(16,215,751)		(939)
	Billed to Customers				16,577,728		(1,222,774)		939		-	-		(16,215,751)		(939)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(907)	32		-	-		(16,215,751)	907	(32)
Sept 30	PILs monthly accrual				16,577,728		(1,222,774)		32			-	-	(16,215,751)		(32)
	Billed to Customers				16,577,728		(1,222,774)		32		-	-		(16,215,751)		(32)
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(907)	(875)		-	-		(16,215,751)	907	875
Oct 31	PILs monthly accrual				16,577,728		(1,222,774)		(875)			-	-	(16,215,751)		875
	Billed to Customers				16,577,728		(1,222,774)		(875)		-	-		(16,215,751)		875
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(1,223)	(2,098)		-	-		(16,215,751)	1,223	2,098
Nov 30	PILs monthly accrual				16,577,728		(1,222,774)		(2,098)			-	-	(16,215,751)		2,098
	Billed to Customers				16,577,728		(1,222,774)		(2,098)		-	-		(16,215,751)		2,098
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(1,223)	(3,321)		-	-		(16,215,751)	1,223	3,321
Dec 31	PILs monthly accrual				16,577,728		(1,222,774)		(3,321)			-	-	(16,215,751)		3,321
	Billed to Customers				16,577,728		(1,222,774)		(3,321)		-	-		(16,215,751)		3,321
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(1,223)	**(4,544)**	**(9,752)**	-	-		(16,215,751)	1,223	4,544
Jan 31/11	PILs monthly accrual				16,577,728		(1,222,774)		(4,544)			-	-	(16,215,751)		4,544
	Billed to Customers				16,577,728		(1,222,774)		(4,544)		-	-		(16,215,751)		4,544
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(1,498)	(6,041)		-	-		(16,215,751)	1,498	6,041
Feb 28	PILs monthly accrual				16,577,728		(1,222,774)		(6,041)			-	-	(16,215,751)		6,041
	Billed to Customers				16,577,728		(1,222,774)		(6,041)		-	-		(16,215,751)		6,041
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(1,498)	(7,539)		-	-		(16,215,751)	1,498	7,539
Mar 31	PILs monthly accrual				16,577,728		(1,222,774)		(7,539)			-	-	(16,215,751)		7,539
	Billed to Customers				16,577,728		(1,222,774)		(7,539)		-	-		(16,215,751)		7,539
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(1,498)	(9,037)		-	-		(16,215,751)	1,498	9,037
Apr 30	PILs monthly accrual				16,577,728		(1,222,774)		(9,037)			-	-	(16,215,751)		9,037
	Billed to Customers				16,577,728		(1,222,774)		(9,037)		-	-		(16,215,751)		9,037
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(1,498)	(10,535)		-	-		(16,215,751)	1,498	10,535
May 31	PILs monthly accrual				16,577,728		(1,222,774)		(10,535)			-	-	(16,215,751)		10,535
	Billed to Customers				16,577,728		(1,222,774)		(10,535)		-	-		(16,215,751)		10,535
.	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(1,498)	(12,033)		-	-		(16,215,751)	1,498	12,033
June 30	PILs monthly accrual				16,577,728		(1,222,774)		(12,033)			-	-	(16,215,751)		12,033
	Billed to Customers				16,577,728		(1,222,774)		(12,033)		-	-		(16,215,751)		12,033
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(1,498)	(13,531)		-	-		(16,215,751)	1,498	13,531
July 31	PILs monthly accrual				16,577,728		(1,222,774)		(13,531)			-	-	(16,215,751)		13,531
	Billed to Customers				16,577,728		(1,222,774)		(13,531)		-	-		(16,215,751)		13,531
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(1,498)	(15,029)		-	-		(16,215,751)	1,498	15,029
Aug 31	PILs monthly accrual				16,577,728		(1,222,774)		(15,029)			-	-	(16,215,751)		15,029
	Billed to Customers				16,577,728		(1,222,774)		(15,029)		-	-		(16,215,751)		15,029
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(1,498)	(16,527)		-	-		(16,215,751)	1,498	16,527
Sept 30	PILs monthly accrual				16,577,728		(1,222,774)		(16,527)			-	-	(16,215,751)		16,527
	Billed to Customers				16,577,728		(1,222,774)		(16,527)		-	-		(16,215,751)		16,527
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(1,498)	(18,025)		-	-		(16,215,751)	1,498	18,025
Oct 31	PILs monthly accrual				16,577,728		(1,222,774)		(18,025)			-	-	(16,215,751)		18,025
	Billed to Customers				16,577,728		(1,222,774)		(18,025)		-	-		(16,215,751)		18,025
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(1,498)	(19,523)		-	-		(16,215,751)	1,498	19,523
Nov 30	PILs monthly accrual				16,577,728		(1,222,774)		(19,523)			-	-	(16,215,751)		19,523
	Billed to Customers				16,577,728		(1,222,774)		(19,523)		-	-		(16,215,751)		19,523
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(1,498)	(21,020)		-	-		(16,215,751)	1,498	21,020
Dec 31	PILs monthly accrual				16,577,728		(1,222,774)		(21,020)			-	-	(16,215,751)		21,020
	Billed to Customers				16,577,728		(1,222,774)		(21,020)		-	-		(16,215,751)		21,020
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(1,498)	**(22,518)**	**(17,975)**	-	-		(16,215,751)	1,498	22,518
Jan 31/12	PILs monthly accrual				16,577,728		(1,222,774)		(22,518)			-	-	(16,215,751)		22,518
	Billed to Customers				16,577,728		(1,222,774)		(22,518)		-	-		(16,215,751)		22,518
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(1,498)	(24,016)		-	-		(16,215,751)	1,498	24,016
Feb 28	PILs monthly accrual				16,577,728		(1,222,774)		(24,016)			-	-	(16,215,751)		24,016
	Billed to Customers				16,577,728		(1,222,774)		(24,016)		-	-		(16,215,751)		24,016
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(1,498)	(25,514)		-	-		(16,215,751)	1,498	25,514
Mar 31	PILs monthly accrual				16,577,728		(1,222,774)		(25,514)			-	-	(16,215,751)		25,514
	Billed to Customers				16,577,728		(1,222,774)		(25,514)		-	-		(16,215,751)		25,514
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(1,498)	(27,012)		-	-		(16,215,751)	1,498	27,012
Apr 30	PILs monthly accrual				16,577,728		(1,222,774)		(27,012)			-	-	(16,215,751)		27,012
	Billed to Customers				16,577,728		(1,222,774)		(27,012)		-	-		(16,215,751)		27,012
	Transfer PILs Billed from Revenue				16,577,728	-	(1,222,774)	(1,498)	**(28,510)**	**(5,992)**	-	-		(16,215,751)	1,498	28,510
							Total									
Total		**16,577,728**	**16,915,109**	**16,577,728**		**(1,222,774)**	**(1,251,284)**	**(28,510)**			**-**		**(15,354,954)**		**28,510**	
													-		-	

WATERLOO NORTH HYDRO INC.

PILs 1562 | **April-12** | **Alternative 1**

Date	Description	Annual Billing to Customers	Annual Proxy	BALANCE SHEET #1100 Accounts Receivable DR(CR)	#1100 Accounts Receivable Balance	BALANCE SHEET #1562 Deferred PILs DR(CR)	#1562 Deferred PILs Balance	BALANCE SHEET # 1562 Sub-Acct Deferred PILs - Interest Receivable DR(CR)	# 1562 Sub-Acct Deferred PILs - Interest Receivable Balance	Annual Carry Charge	INCOME STATEMENT #4080 Distrib Serv Rev DR(CR)	#4080 Distrib Serv Rev Balance	#4080 Sub-Acct Distrib Serv Rev - Sub - Acct DR(CR)	#4080 Sub-Acct Distrib Serv Rev - Sub - Acct Balance	#4405 Interest and Dividend Income DR(CR)	#4405 Interest and Dividend Income Balance
Footnotes:																
(1)	2001 Amount included in PILs in RAM				$ 1,013,161	/	3	months =		**$ 337,720**						
(2)	2002 Amount included in PILs in RAM &	2004 Entitlement in Rates = 2002			$ 3,370,434	/	12	months =		**$ 280,870**						
					$ 4,383,595											
(4)	2003 Amount included in PILs in RAM				/	12	months =	(4)		**$ 365,300**						
(5)	2005 Entitlement in Rates Apr/05-Apr/06				$ 3,398,388	/	12	months =		**$ 283,199**						
(3)	See Backup Schedules for Details															

Carrying Charge Rate to April 30, 2006	7.25%
Carrying Charge Rate May 1, 2006 - June 30, 2006	4.14%
Carrying Charge Rate July 1, 2006 - September 30, 2006	4.59%
Carrying Charge Rate October 1, 2006 - September 30, 2007	4.59%
Carrying Charge Rate October 1, 2007 - March 31, 2008	5.14%
Carrying Charge Rate April 1, 2008 - June 30, 2008	4.08%
Carrying Charge Rate July 1, 2008 - December 31, 2008	3.35%
Carrying Charge Rate January 1, 2009 - March 31, 2009	2.45%
Carrying Charge Rate April 1, 2009 - June 30, 2009	1.00%
Carrying Charge Rate July 1, 2009 - June 30, 2010	0.55%
Carrying Charge Rate July 1, 2010 - September 30, 2010	0.89%
Carrying Charge Rate October 1, 2010 - December 31, 2010	1.20%
Carrying Charge Rate January 1, 2011 -	1.47%

WATERLOO NORTH HYDRO INC.

Schedule of Billings for PILs- Total of kWh, kWh and Service Charges

	Billed kWh	Billed Service Chg	Total
2002			-
Unbilled			-
January			-
February			-
March		22,953	22,953
Mar/April	214,573	95,893	310,466
May	176,003	197,506	373,509
June	158,456	197,506	355,962
July	188,751	197,506	386,257
August	172,470	197,506	369,976
September	203,149	197,507	400,656
October	169,027	170,455	339,482
November	180,596	218,225	398,821
December	156,679	171,970	328,649
Unbilled Dec/02	218,968	296,014	514,982
Total	1,838,673	1,963,039	3,801,712
	-	-	-

	Billed kWh	Billed Service Chg	Total
2003			-
Unbilled Dec/02	(218,968)	(296,014)	(514,982)
January	190,440	221,851	412,291
February	174,000	173,250	347,251
March	200,094	221,168	421,261
Mar/April	167,316	173,845	341,162
May	188,173	224,835	413,008
June	153,285	172,612	325,897
July	184,104	223,986	408,089
August	160,587	174,287	334,874
September	197,423	227,889	425,312
October	158,607	172,409	331,016
November	180,690	226,278	406,968
December	156,523	174,017	330,540
Unbilled Dec/03	231,626	306,248	537,874
Total	2,123,899	2,396,661	4,520,560
	-	-	-

WATERLOO NORTH HYDRO INC.

Schedule of Billings for PILs- Total of kWh, kWh and Service Charges

	Billed kWh	Billed Service Chg	Total
2004			
Unbilled Dec/03	(231,626)	(306,248)	(537,874)
January	190,983	229,136	420,118
February	174,913	175,081	349,994
March	199,022	517,258	716,280
April	173,163	-	173,163
May	241,484	-	241,484
June	218,763	-	218,763
July	277,119	-	277,119
August	229,603	-	229,603
September	296,206	-	296,206
October	228,434	-	228,434
November	280,305	-	280,305
December	227,668	-	227,668
Unbilled Dec/Mar/04	424,389		424,389
Total	2,930,428	615,227	3,545,655
	-	-	

	Billed kWh	Billed Service Chg	Total
2005			
Unbilled Dec/04	(424,389)		(424,389)
January	319,984		319,984
February	272,589		272,589
March	327,677		327,677
April	261,430		261,430
May	315,395		315,395
June	237,501		237,501
July	332,343		332,343
August	278,493		278,493
September	364,692		364,692
October	257,109		257,109
November	309,013		309,013
December	248,944		248,944
Unbilled Dec/05v3	439,248		439,248
Total	3,540,029	-	3,540,029
	-		

WATERLOO NORTH HYDRO INC.

Schedule of Billings for PILs- Total of kWh, kWh and Service Charges

	Billed kWh	Billed Service Chg	Total
2006			
Unbilled Dec/05	(439,248)		(439,248)
January	320,434		320,434
February	307,810		307,810
March	364,397		364,397
April	244,710		244,710
May	287,208		287,208
June	70,095		70,095
July	14,382		14,382
August	(6)		(6)
September	(11)		(11)
October	-		-
November	-		-
December	-		-
Unbilled Dec/06	-		-
Total	1,169,772	-	1,169,772
	-		

Total of Apr-Sept = Apr Accrual	616,379
	16,577,728

WATERLOO NORTH HYDRO INC.

Schedule of Billings for PILs - kWh

	kWh		kW			PILs $ for kWh					
	RES	<50	>50	LU	ST LT	RES	<50	>50	LU	ST LT	Total
Rate						0.001868	0.001692	0.649321	0.481631	1.218949	
2002											
March/April	16,347,334	8,767,340	232,670	30,336	3,120	31,060	14,028	151,072	14,610	3,803	214,573
May (b)	31,391,168	15,531,204	125,991	15,310	1,561	58,639	26,279	81,809	7,374	1,903	176,003
June	23,757,542	12,611,809	127,182	17,123	1,566	44,379	21,339	82,582	8,247	1,909	158,456
July	33,274,638	16,739,088	134,760	18,399	1,565	62,157	28,323	87,502	8,861	1,908	188,751
August	28,111,491	13,645,675	132,020	19,178	1,566	52,512	23,088	85,724	9,237	1,909	172,470
September	40,559,542	18,108,684	132,636	18,088	1,566	75,765	30,640	86,123	8,712	1,909	203,149
October	26,065,387	13,007,625	134,519	18,830	1,569	48,690	22,009	87,346	9,069	1,913	169,027
November	33,660,338	16,563,301	123,437	15,833	1,573	62,878	28,025	80,150	7,626	1,917	180,596
December	26,411,886	12,576,509	118,156	15,402	1,578	49,337	21,279	76,721	7,418	1,924	156,679
Unbilled Dec/02	57,801,783	24,775,953	97,117	12,487	-	107,974	41,921	63,060	6,014	-	218,968
						593,391	256,931	882,089	87,168	19,093	1,838,673

$ 1,838,673

	kWh		kW			PILs $ for kWh					
	RES	<50	>50	LU	ST LT	RES	<50	>50	LU	ST LT	Total
Rate						0.001868	0.001692	0.649321	0.481631	1.218949	
2003											
Unbilled Dec/02	(57,801,783)	(24,775,953)	(97,117)	(12,487)	-	(107,974)	(41,921)	(63,060)	(6,014)	-	(218,968)
Jan	37,974,474	17,344,588	124,611	15,186	1,583	70,936	29,347	80,912	7,314	1,930	190,440
Feb	33,433,014	14,452,681	119,850	15,242	1,584	62,453	24,454	77,821	7,341	1,931	174,000
Mar	42,771,602	19,007,604	121,313	15,226	1,584	79,897	32,161	78,771	7,333	1,931	200,094
Apr	30,081,174	13,513,740	121,630	15,252	1,589	56,192	22,865	78,977	7,346	1,937	167,316
May	36,408,945	17,336,111	126,035	14,632	1,595	68,012	29,333	81,837	7,047	1,944	188,173
Jun	23,915,739	12,528,733	121,590	13,530	1,595	44,675	21,199	78,951	6,516	1,944	153,285
Jul	31,673,751	16,244,318	133,912	17,763	1,595	59,167	27,485	86,952	8,555	1,944	184,104
Aug	25,174,529	12,612,096	125,597	18,114	1,595	47,026	21,340	81,553	8,724	1,944	160,587
Sep	36,979,675	17,122,941	137,159	17,376	1,595	69,078	28,972	89,060	8,369	1,944	197,423
Oct	23,657,185	12,031,046	129,588	16,540	1,599	44,192	20,357	84,144	7,966	1,949	158,607
Nov	32,568,244	15,989,555	127,898	16,201	1,598	60,837	27,054	83,047	7,803	1,948	180,690
Dec	25,371,062	12,319,155	121,990	14,797	1,598	47,393	20,844	79,211	7,127	1,948	156,523
Unbilled Dec/03v4	59,710,913	24,505,510	110,736	13,951		111,540	41,463	71,903	6,719	-	231,626
	381,918,524 -	180,232,125 -	1,524,793 -	191,324 -	19,111	713,424	304,953	990,080	92,147	23,295	2,123,899
											-

$ 2,123,899

WATERLOO NORTH HYDRO INC.

Schedule of Billings for PILs - kWh

	kWh				kW						PILs $ for kWh / kW										
	RES Pre-Apr 1	RES Post-Apr 1	<50 Pre-Apr 1	<50 Post-Apr 1	>50 Pre-Apr 1	>50 Post-Apr 1	LU Pre-Apr 1	LU Post-Apr 1	ST LT Pre-Apr 1	ST LT Post-Apr 1	RES Pre-Apr 1	RES Post Apr 1	<50 Pre-Apr 1	<50 Post Apr 1	>50 Pre-Apr 1	>50 Post Apr 1	LU Pre-Apr 1	LU Post Apr 1	ST LT Pre-Apr 1	ST LT Post Apr 1	Total
Rate-Pre Apr 1											**0.001868**		**0.001692**		**0.649321**		**0.481631**		**1.218949**		
Rate-Post Apr 1												**0.004384**		**0.002904**		**0.591644**		**0.496186**		**1.315681**	
2004																					
Unbilled Dec/03v4	(59,710,913)		(24,505,510)		(110,736)		(13,951)		-		(111,540)	-	(41,463)	-	(71,903)	-	(6,719)	-	-	-	(231,626)
Jan	40,042,505		17,394,148		120,256		13,951		1,598		74,799	-	29,431	-	78,085	-	6,719	-	1,948	-	190,983
Feb	33,130,828		14,058,270		123,709		14,457		1,598		61,888	-	23,787	-	80,327	-	6,963	-	1,948	-	174,913
Mar	42,865,930		18,495,893		120,747		15,153		1,601		80,074	-	31,295	-	78,404	-	7,298	-	1,952	-	199,022
Apr	29,111,857	1,252,995	13,601,148	557,921	122,290		15,128		1,611		54,381	5,493	23,013	1,620	79,405	-	7,286	-	1,964	-	173,163
May	20,000,140	18,294,401	9,203,470	8,661,641		124,722		14,682		1,611	37,360	80,203	15,572	25,153	-	73,791	-	7,285	-	2,120	241,484
Jun	2,860,213	20,540,026	716,392	11,651,701		130,423		18,174		1,628	5,343	90,047	1,212	33,837	-	77,164	-	9,018	-	2,142	218,763
Jul	(8,681)	32,097,750	(4)	16,093,247		132,751		18,107		1,641	(16)	140,717	(0)	46,735	-	78,541	-	8,984	-	2,159	277,119
Aug		23,615,733		12,765,718		131,519		18,198		1,640	-	103,531	-	37,072	-	77,812	-	9,030	-	2,158	229,603
Sep		36,268,385	(12,620)	16,933,806		130,078		18,005		1,640	-	159,001	(21)	49,176	-	76,960	-	8,934	-	2,158	296,206
Oct	(2,244)	23,221,360		12,538,588		134,112		17,554		1,647	(4)	101,802	-	36,412	-	79,346	-	8,710	-	2,167	228,434
Nov		33,624,403		16,144,012		127,728		16,674		1,650	-	147,409	-	46,882	-	75,569	-	8,273	-	2,171	280,305
Dec		25,011,405		12,458,931		121,742		15,370		1,660	-	109,650	-	36,181	-	72,028	-	7,626	-	2,184	227,668
Unbilled Dec/04 v3		62,124,170		26,008,393		116,838		14,878			-	272,352	-	75,528	-	69,127	-	7,382	-	-	424,389
	108,289,635	276,050,628	48,951,187	133,813,958	376,266	1,149,911	44,738	151,642	6,409	13,117	202,285	1,210,206	82,825	388,596	244,318	680,338	21,547	75,242	7,812	17,258	2,930,428

$ 2,930,428

	kWh				kW						PILs $ for kWh / kW										
	RES Pre-Apr 1	RES Post-Apr 1	<50 Pre-Apr 1	<50 Post-Apr 1	>50 Pre-Apr 1	>50 Post-Apr 1	LU Pre-Apr 1	LU Post-Apr 1	ST LT Pre-Apr 1	ST LT Post-Apr 1	RES Pre-Apr 1	RES Post Apr 1	<50 Pre-Apr 1	<50 Post Apr 1	>50 Pre-Apr 1	>50 Post Apr 1	LU Pre-Apr 1	LU Post Apr 1	ST LT Pre-Apr 1	ST LT Post Apr 1	Total
Rate-Pre Apr 1											**0.004384**		**0.002904**		**0.591644**		**0.496186**		**1.315681**		
Rate-Post Apr 1												**0.0045**		**0.0031**		**0.6632**		**0.5428**		**1.3214**	
2005																					
Unbilled Dec/04v3	(62,124,170)		(26,008,393)		(116,838)		(14,878)				(272,352)	-	(75,528)	-	(69,127)	-	(7,382)	-	-	-	(424,389)
Jan	42,119,021		18,340,885		122,550		14,878		1,660		184,650	-	53,262	-	72,506	-	7,382	-	2,184	-	319,984
Feb	33,113,507		14,892,101		125,857		15,166		1,661		145,170	-	43,247	-	74,463	-	7,525	-	2,185	-	272,589
Mar	43,631,134		18,801,373		121,810		15,203		1,662		191,279	-	54,599	-	72,068	-	7,544	-	2,187	-	327,677
Apr	29,271,583	1,174,883	13,822,287	694,002	81,499	41,700	15,033	-	1,666		128,327	5,287	40,140	2,151	48,218	27,655	7,459	-	2,192	-	261,430
May	20,192,402	17,594,453	9,080,106	8,334,979	82	128,071	-	15,263		1,680	88,523	79,175	26,369	25,838	48	84,937	-	8,285	-	2,220	315,395
Jun	2,634,210	20,282,586	591,515	11,758,979		128,779		16,364		1,681	11,548	91,272	1,718	36,453	-	85,406	-	8,883	-	2,221	237,501
Jul	(734)	38,262,655	(1,911)	17,583,102		140,605		18,770		1,684	(3)	172,182	(6)	54,508	-	93,249	-	10,188	-	2,225	332,343
Aug	(3,599)	29,178,591	(383)	14,131,326		137,389		18,527		1,685	(16)	131,304	(1)	43,807	-	91,117	-	10,057	-	2,226	278,493
Sep		45,574,364		18,665,095	-	134,853		18,579		1,684	-	205,085	-	57,862	-	89,435	-	10,085	-	2,226	364,692
Oct		24,938,741		13,335,136		138,211		17,769		1,695	-	112,224	-	41,339	-	91,661	-	9,645	-	2,240	257,109
Nov		34,728,411		16,572,394		134,854		17,844		1,695	-	156,278	-	51,374	-	89,435	-	9,686	-	2,240	309,013
Dec		25,425,229		12,736,769		127,982		14,608		1,695	-	114,414	-	39,484	-	84,877	-	7,929	-	2,240	248,944
Unbilled Dec/05 v3		62,073,407		24,225,031		112,536		14,640		1,695	-	279,330	-	75,098	-	74,634	-	7,947	-	2,239	439,248
	108,833,354	299,233,320	49,517,580	138,036,813	334,960	1,224,980	45,403	152,365	6,649	15,194	477,125	1,346,550	143,799	427,914	198,177	812,407	22,528	82,704	8,748	20,077	3,540,029

$ 3,540,029

WATERLOO NORTH HYDRO INC.

Schedule of Billings for PILs - kWh

	kWh				kW						PILs $ for kWh / kW										
	RES Pre-May 1		<50 Pre-May 1		>50 Pre-May 1		LU Pre-May 1		ST LT Pre-May 1		RES Pre-May 1		<50 Pre-May 1		>50 Pre-May 1		LU Pre-May 1		ST LT Pre-May 1		Total
Rate-Pre May 1											0.0045		0.0031		0.6632		0.5428		1.3214		
2006																					
Unbilled Dec/05v3	(62,073,407)		(24,225,031)		(112,536)		(14,640)		(1,695)		(279,330)	-	(75,098)	-	(74,634)	-	(7,947)	-	(2,239)	-	(439,248)
Jan	37,900,066		18,134,327		125,876		14,640		1,695		170,550	-	56,216	-	83,481	-	7,947	-	2,239	-	320,434
Feb	37,666,930		14,825,233		123,661		14,912		1,699		169,501	-	45,958	-	82,012	-	8,094	-	2,245	-	307,810
Mar	47,801,471		18,397,712		123,836		14,527		1,698		215,107	-	57,033	-	82,128	-	7,885	-	2,244	-	364,397
Apr	24,262,072		13,360,977		125,699		15,658		1,702		109,179	-	41,419	-	83,364	-	8,499	-	2,249	-	244,710
May	33,229,988		16,268,334		115,568		15,380		1,702		149,535	-	50,432	-	76,645	-	8,348	-	2,249	-	287,208
Jun	11,063,687		6,550,993		-						49,787	-	20,308	-	-	-	-	-	-	-	70,095
Jul	2,501,593		1,008,145								11,257	-	3,125	-	-	-	-	-	-	-	14,382
Aug	(81)		(1,676)								(0)	-	(5)	-	-	-	-	-	-	-	(6)
Sep	(2,442)										(11)	-	-	-	-	-	-	-	-	-	(11)
Oct											-	-	-	-	-	-	-	-	-	-	-
Nov											-	-	-	-	-	-	-	-	-	-	-
Dec											-	-	-	-	-	-	-	-	-	-	-
Unbilled Dec/06											-	-	-	-	-	-	-	-	-	-	-
	132,349,877	-	64,319,014	-	502,104	-	60,478	-	6,801	-	595,574	-	199,389	-	332,995	-	32,827	-	8,987	-	1,169,772
																					-

$ 1,169,772

WATERLOO NORTH HYDRO INC.

Schedule of Billings for PILs - Service Charge

2002	# Service Charges					# Service Charges x $ in Rates					
	Res	<50	>50	Lg User	St Lt	Res $ 3.3496	<50 $ 6.9080	>50 $ 42.1257	Lg User $ 1,595.9877	St Lt $ 0.0719	Total
Unbilled						-	-	-	-	-	-
Jan						-	-	-	-	-	-
Feb						-	-	-	-	-	-
Mar	4,598	964	-	-	12,395	15,401	6,661	-	-	891	22,953
Apr	13,794	2,893	608	2	12,395	46,203	19,982	25,624	3,192	891	95,893
May	38,793	5,480	608	2	12,395	129,942	37,857	25,624	3,192	891	197,506
Jun	38,793	5,480	608	2	12,395	129,942	37,857	25,624	3,192	891	197,506
Jul	38,793	5,480	608	2	12,395	129,942	37,857	25,624	3,192	891	197,506
Aug	38,793	5,480	608	2	12,395	129,942	37,857	25,624	3,192	891	197,506
Sep	38,793	5,480	608	2	12,418	129,942	37,857	25,624	3,192	893	197,507
Oct	31,801	4,864	623	2	12,451	106,519	33,598	26,251	3,192	895	170,455
Nov	43,968	5,871	624	2	12,532	147,277	40,559	26,296	3,192	901	218,225
Dec	32,617	4,874	592	2	12,632	109,254	33,669	24,947	3,192	908	171,970
Unbilled	63,988	8,218	516	2	-	214,333	56,772	21,717	3,192	-	296,014
	384,731	55,084	6,005	20	124,403	1,288,696	380,523	252,956	31,920	8,945	**1,963,039**
											-

2003	# Service Charges					# Service Charges x $ in Rates					
	Res	<50	>50	Lg User	St Lt	Res $ 3.3496	<50 $ 6.9080	>50 $ 42.1257	Lg User $ 1,595.9877	St Lt $ 0.0719	Total
Unbilled	(63,988)	(8,218)	(516)	(2)		(214,333)	(56,772)	(21,717)	(3,192)	-	(296,014)
Jan	44,624	5,893	655	2	12,588	149,471	40,711	27,571	3,192	905	221,851
Feb	32,558	4,871	628	2	12,588	109,057	33,646	26,451	3,192	905	173,250
Mar	44,732	5,902	628	2	12,588	149,833	40,771	26,468	3,192	905	221,168
Apr	32,687	4,869	632	2	12,588	109,488	33,636	26,625	3,192	905	173,845
May	45,729	5,916	634	2	12,644	153,173	40,866	26,695	3,192	909	224,835
Jun	32,281	4,874	634	2	12,644	108,128	33,671	26,712	3,192	909	172,612
Jul	45,453	5,925	634	2	12,640	152,249	40,927	26,709	3,192	909	223,986
Aug	32,896	4,863	627	2	12,640	110,187	33,596	26,403	3,192	909	174,287
Sep	46,412	5,943	647	2	12,666	155,461	41,055	27,271	3,192	911	227,889
Oct	32,083	4,910	639	2	12,673	107,465	33,915	26,925	3,192	911	172,409
Nov	46,044	5,951	637	2	12,673	154,230	41,110	26,835	3,192	911	226,278
Dec	32,812	4,914	619	2	12,673	109,906	33,948	26,060	3,192	911	174,017
Unbilled	66,381	8,261	561	2		222,351	57,068	23,637	3,192	-	306,248
	470,702	64,874	7,659	24	151,604	1,576,664	448,147	322,646	38,304	10,900	**2,396,661**
											-

2004	# Service Charges					# Service Charges x $ in Rates					
	Res	<50	>50	Lg User	St Lt	Res $ 3.3496	<50 $ 6.9080	>50 $ 42.1257	Lg User $ 1,595.9877	St Lt $ 0.0719	Total
Unbilled	(66,381)	(8,261)	(561)	(2)	-	(222,351)	(57,068)	(23,637)	(3,192)	-	(306,248)
Jan	46,785	6,000	638	2	12,678	156,712	41,451	26,869	3,192	912	229,136
Feb	32,818	4,944	639	2	12,675	109,927	34,152	26,899	3,192	911	175,081
Mar	47,013	5,989	639	2	12,700	157,476	41,370	26,911	3,192	913	229,862
Apr						-	-	-	-	-	-
May						-	-	-	-	-	-
Jun						-	-	-	-	-	-
Jul						-	-	-	-	-	-
Aug						-	-	-	-	-	-
Sep						-	-	-	-	-	-
Oct						-	-	-	-	-	-
Nov						-	-	-	-	-	-
Dec						-	-	-	-	-	-
Unbilled	60,370	7,966	618	2	12,782	202,217	55,031	26,036	3,192	919	287,396
	120,606	16,638	1,972	6	50,835	403,982	114,936	83,078	9,576	3,655	**615,227**

Attachment Z

LRAM Report

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Waterloo North Hydro

LRAM Support

October 24, 2011

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

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2. Scope 2
3. LRAM Principles 3
4. Process 3
5. Results 3
6. Determination of LRAM Amount 4
7. Recommendations 4

Attachments

Attachment A – CDM Load Impacts by Class and Program

Attachment B - LRAM Amounts

Attachment C – LRAM Totals

1. Introduction

Continuing their participation in OPA province wide CDM programs, Waterloo North Hydro has demonstrated leadership and obtained significant energy and peak reductions in the communities they serve. In its prior 2011 rate filing, Waterloo North Hydro submitted an LRAM claim for $ 1,294,691.23, based on results (input assumptions) validated by the OPA up to the end of 2009, and for combined CDM program efforts undertaken between 2006 and 2009.

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

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

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

2. Scope

Waterloo North Hydro requested that Burman Energy Consultants Group Inc. (Burman Energy) prepare and critically assess an additional LRAM claim for program results to the end of 2010. The most recently published OPA *"2010 Final CDM Results Summary"*, released September 16, 2011 and the finalized "*2006-2009 Final OPA CDM Results-Update*" were used to calculate LRAM amounts.

Burman Energy committed to providing the following:

1. Review available suitability of published Waterloo North Hydro data for determining appropriate input assumptions.

2. Prepare and finalize LRAM calculations and assumptions consistent with CDM Guidelines and suitable for inclusion in Waterloo North Hydro's 2012 IRM3 application, with supporting details.

3. Produce a report, recommendations, and support related to LRAM assessments/findings.

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

3. LRAM Principles

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

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

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

4. Process

In calculating LRAM, Burman Energy:

1. Reviewed existing LRAM CDM Guidelines and precedents set through LDC submissions to the OEB, to identify the most prudent course for Waterloo North Hydro LRAM.

2. Sought counsel within OEB staff to validate assumptions and processes to complete LRAM submission consistent with other LDC submissions.

3. Reviewed Waterloo North Hydro's CDM program results and input assumptions.

4. Verified correct input assumptions were applied in LRAM calculations.

5. Prepared report and recommendations related to LRAM calculations consistent with OEB CDM Guidelines which are in the accompanying documentation.

5. Results

A review of Waterloo North Hydro's CDM program supporting data verified that documentation exists to support the use of OPA program evaluations as the basis for LRAM calculations. Input assumptions and free ridership rates were not provided in the September 16, 2011 OPA 2010 Final CDM Results Summary. These input assumptions will be updated once the 2010 Final CDM Results Detailed report is released.

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

Rate Class	LRAM $
OPA Programs	
RESIDENTIAL	$82,537.12
GENERAL SERVICE <50KW	$42,195.58
GENERAL SERVICE >50KW	$32,533.80
	$157,266.50

1. Calculation of LRAM

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

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

The sum of all program LRAM calculations, including OPA sponsored programs is $157,266.50

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

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

7. Recommendations

Burman Energy recommends the following:

1. LRAM amounts arising from CDM programs in each rate class be allocated to that class for recovery.

2. Rate impacts, proposed rate riders and respective terms to mitigate LRAM recovery be addressed by Waterloo North Hydro

ATTACHMENT A

CDM Load Impacts by Class and Program

Class / Program	Year Implemented	2010 NET 2010 kWh	2010 NET 2010 kW	2010 GROSS 2010 kWh	2010 GROSS 2010 kW
OPA Programs					
Residential					
Cool & Hot Savings Rebate Program	2006-2007	349,402	267.98	592,626	452.61
Cool Savings Rebate	2008-2010	942,273	612.93	2,062,992	1315.11
Secondary Fridge Retirement Pilot	2006	54,397	12.33	60,441	13.70
Great Refrigerator Roundup	2007-2010	960,648	127.60	1,867,701	252.26
Every Kilowatt Counts	2006-2007	1,722,986	86.34	2,229,724	109.44
peaksaver®	2007-2010	5,335	840.38	5,907	928.44
Summer Savings	2007	41,209	51.92	343,411	432.69
Social Housing – Pilot	2007	117,201	13.79	117,201	13.79
Energy Efficiency Assistance for Houses – Pilot	2007	67,035	19.72	67,035	19.72
Summer Sweepstakes	2008	136,433	54.85	175,847	70.70
Every Kilowatt Counts Power Savings Event	2008-2010	1,855,893	129.12	4,583,368	320.67
General Service<50kW					
OPA Conservation Programs					
High Performance New Construction	2008-2010	494,434	219.39	706,335	313.41
Power Savings Blitz	2008-2010	3,478,088	980.32	3,597,526	1014.09
peaksaver® for business	2010	104	10.24	114	11.26
Multifamily Energy Efficiency Rebates	2010	46,001	3.90	62,448	5.10
General Service>50kW to 4,999kW					
OPA Conservation Programs					
Demand Response 2	2009-2010	1,805,555	1544.65	1,805,555	1544.65
Demand Response 3	2008-2010	64,019	3267.13	64,019	3267.13
Loblaw & York Region Demand Response	2010	0	379.15	0	379.15
Electricity Retrofit Incentive Program	2007-2010	1,971,645	330.04	3,418,444	568.91
TOTAL		**14,112,658**	**8,951.78**	**21,760,691**	**11,032.83**

ATTACHMENT B

Foregone Revenue by Class and Program

	2009		2010				
Class **Program**	**kWh or kW**	**Rate per Unit**	**Load Unit**	**kWh or kW**	**Rate per Unit**	**Revenue**	**Total Revenue**
OPA Programs							
Residential							
Cool & Hot Savings Rebate Program	kWh	0.0134	349,402	kWh	0.0131	$4,612.11	
Cool Savings Rebate	kWh	0.0134	942,273	kWh	0.0131	$12,438.00	
Secondary Fridge Retirement Pilot	kWh	0.0134	54,397	kWh	0.0131	$718.04	
Great Refrigerator Roundup	kWh	0.0134	960,648	kWh	0.0131	$12,680.55	
Every Kilowatt Counts	kWh	0.0134	1,722,986	kWh	0.0131	$22,743.41	
peaksaver®	kWh	0.0134	5,335	kWh	0.0131	$70.43	
Summer Savings	kWh	0.0134	41,209	kWh	0.0131	$543.96	
Social Housing – Pilot	kWh	0.0134	117,201	kWh	0.0131	$1,547.05	
Energy Efficiency Assistance for Houses – Pilot	kWh	0.0134	67,035	kWh	0.0131	$884.86	
Summer Sweepstakes	kWh	0.0134	136,433	kWh	0.0131	$1,800.91	
Every Kilowatt Counts Power Savings Event	kWh	0.0134	1,855,893	kWh	0.0131	$24,497.79	
							$82,537.12
GENERAL SERVICE Less Than 50kW							
OPA Conservation Programs							
High Performance New Construction	kWh	0.0107	494,434	kWh	0.0104	$5,191.56	
Power Savings Blitz	kWh	0.0107	3,478,088	kWh	0.0104	$36,519.93	
peaksaver® for business	kWh	0.0107	104	kWh	0.0104	$1.09	
Multifamily Energy Efficiency Rebates	kWh	0.0107	46,001	kWh	0.0104	$483.01	
							$42,195.58
General Service>50kW to 4,999kW							
OPA Conservation Programs							
Demand Response 2	kW	3.6325	1,544.65	kW	3.5420	$5,471.16	
Demand Response 3	kW	3.6325	3,267.13	kW	3.5420	$11,572.18	
Loblaw & York Region Demand Response	kW	3.6325	379.15	kW	3.5420	$1,342.96	
Electricity Retrofit Incentive Program	kW	3.6325	330.04	kW	3.5420	$14,147.50	
							$32,533.80
							$157,266.50

ATTACHMENT C
LRAM Totals

Rate Class

	LRAM $
OPA Programs	
RESIDENTIAL	$82,537.12
GENERAL SERVICE <50KW	$42,195.58
GENERAL SERVICE >50KW	$32,533.80
	$157,266.50

Attachment AA

Revenue Requirement Workform May 1, 2011

REVENUE REQUIREMENT WORK FORM

Name of LDC: Waterloo North Hydro Inc. (1)

File Number: EB-2010-0144

Rate Year: 2011 Version: 2.11

Table of Content

Sheet	Name
A	Data Input Sheet
1	Rate Base
2	Utility Income
3	Taxes/PILS
4	Capitalization/Cost of Capital
5	Revenue Sufficiency/Deficiency
6	Revenue Requirement
7A	Bill Impacts -Residential
7B	Bill Impacts - GS < 50 kW

Notes:

(1) Pale green cells represent inputs

(2) Pale yellow cells represent drop=down lists

(3) ***Please note that this model uses MACROS. Before starting, please ensure that macros have been enabled.***

(4) ***Completed versions of the Revenue Requirement Work Form are required to be filed in working Microsoft Excel format.***

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REVENUE REQUIREMENT WORK FORM

Version: 2.11

Name of LDC: Waterloo North Hydro Inc.
File Number: EB-2010-0144
Rate Year: 2011

Ontario

		Data Input (1)									
		Initial Application		Adjustments		Settlement Agreement	(7)	Adjustments		Per Board Decision	
1	**Rate Base**										
	Gross Fixed Assets (average)	$243,087,168		($1,795,978)		$ 241,291,190				$241,291,190	
	Accumulated Depreciation (average)	($109,118,578)	(5)	($155,779)		-$ 109,274,357				($109,274,357)	
	Allowance for Working Capital:										
	Controllable Expenses	$10,183,838		($169,500)		$ 10,014,338		$24,944		$10,039,282	
	Cost of Power	$115,414,347		$1,075,525		$ 116,489,872				$116,489,872	
	Working Capital Rate (%)	15.00%				15.00%				15.00%	
2	**Utility Income**										
	Operating Revenues:										
	Distribution Revenue at Current Rates	$23,968,200		$369,916		$24,338,116		$0		$24,338,116	
	Distribution Revenue at Proposed Rates	$28,980,640		($861,240)		$28,119,401		$25,257		$28,144,657	
	Other Revenue:										
	Specific Service Charges	$245,845		$0		$245,845		$0		$245,845	
	Late Payment Charges	$180,000		$0		$180,000		$0		$180,000	
	Other Distribution Revenue	$278,819		$0		$278,819		$0		$278,819	
	Other Income and Deductions	$351,299		($55,006)		$296,293		$0		$296,293	
	Operating Expenses:										
	OM+A Expenses	$10,183,838		($169,500)		$ 10,014,338		$24,944		$10,039,282	
	Depreciation/Amortization	$7,816,331		($66,909)		$ 7,749,422				$7,749,422	
	Property taxes										
	Capital taxes										
	Other expenses										
3	**Taxes/PILs**										
	Taxable Income:										
	Adjustments required to arrive at taxable income	($2,724,063)	(3)			($2,603,005)				($2,603,005)	
	Utility Income Taxes and Rates:										
	Income taxes (not grossed up)	$886,355				$767,745				$767,786	
	Income taxes (grossed up)	$1,212,310				$1,011,788				$1,011,845	
	Capital Taxes		(6)				(6)				(6)
	Federal tax (%)	16.50%				16.50%				16.50%	
	Provincial tax (%)	10.39%				7.62%				7.62%	
	Income Tax Credits										
4	**Capitalization/Cost of Capital**										
	Capital Structure:										
	Long-term debt Capitalization Ratio (%)	56.0%				56.0%				56.0%	
	Short-term debt Capitalization Ratio (%)	4.0%	(2)			4.0%	(2)			4.0%	(2)
	Common Equity Capitalization Ratio (%)	40.0%				40.0%				40.0%	
	Prefered Shares Capitalization Ratio (%)										
		100.0%				100.0%				100.0%	
	Cost of Capital										
	Long-term debt Cost Rate (%)	5.47%				5.22%				5.22%	
	Short-term debt Cost Rate (%)	2.07%				2.46%				2.46%	
	Common Equity Cost Rate (%)	9.85%				9.58%				9.58%	
	Prefered Shares Cost Rate (%)										

Notes:

(Rate Base through Revenue Requirement), except for Notes that the utility may wish to use to support the data. Notes should be put on the applicable pages to explain numbers shown.

(1) All inputs are in dollars ($) except where inputs are individually identified as percentages (%)
(2) 4.0% unless an Applicant has proposed or been approved for another amount.
(3) Net of addbacks and deductions to arrive at taxable income.
(4) Average of Gross Fixed Assets at beginning and end of the Test Year
(5) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.
(6) Not applicable as of July 1, 2010
(7) Select option from drop-down list by clicking on cell M10. This columnallows for the application update reflecting the end of discovery or Argument-in-Chief. Also, the outsome of any Settlement Process can be reflected.

Note - Provincial tax rate reduced to reflect the fact that there are $61,453 in tax credits

REVENUE REQUIREMENT WORK FORM

Version: 2.11

Name of LDC: Waterloo North Hydro Inc.
File Number: EB-2010-0144
Rate Year: 2011

Ontario

Rate Base

Line No.	Particulars		Initial Application	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
1	Gross Fixed Assets (average)	(3)	$243,087,168	($1,795,978)	$241,291,190	$ -	$241,291,190
2	Accumulated Depreciation (average)	(3)	($109,118,578)	($155,779)	($109,274,357)	$ -	($109,274,357)
3	Net Fixed Assets (average)	(3)	$133,968,589	($1,951,757)	$132,016,832	$ -	$132,016,832
4	Allowance for Working Capital	(1)	$18,839,728	$135,904	$18,975,631	$3,742	$18,979,373
5	**Total Rate Base**		$152,808,317	($1,815,853)	$150,992,464	$3,742	$150,996,206

(1) Allowance for Working Capital - Derivation

6	Controllable Expenses		$10,183,838	($169,500)	$10,014,338	$24,944	$10,039,282
7	Cost of Power		$115,414,347	$1,075,525	$116,489,872	$ -	$116,489,872
8	Working Capital Base		$125,598,185	$906,025	$126,504,210	$24,944	$126,529,154
9	Working Capital Rate %	(2)	15.00%	0.00%	15.00%	0.00%	15.00%
10	Working Capital Allowance		$18,839,728	$135,904	$18,975,631	$3,742	$18,979,373

Notes

(2) Generally 15%. Some distributors may have a unique rate due as a result of a lead-lag study.
(3) Average of opening and closing balances for the year.

REVENUE REQUIREMENT WORK FORM

Version: 2.11

Name of LDC: Waterloo North Hydro Inc.
File Number: EB-2010-0144
Rate Year: 2011

Ontario

Line No.	Particulars		Utility income				
			Initial Application	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
	Operating Revenues:						
1	Distribution Revenue (at Proposed Rates)		$28,980,640	($861,240)	$28,119,401	$25,257	$28,144,657
2	Other Revenue	(1)	$1,055,963	($55,006)	$1,000,957	$ -	$1,000,957
3	Total Operating Revenues		$30,036,603	($916,245)	$29,120,358	$25,257	$29,145,614
	Operating Expenses:						
4	OM+A Expenses		$10,183,838	($169,500)	$10,014,338	$24,944	$10,039,282
5	Depreciation/Amortization		$7,816,331	($66,909)	$7,749,422	$ -	$7,749,422
6	Property taxes		$ -	$ -		$ -	
7	Capital taxes		$ -	$ -	$ -	$ -	$ -
8	Other expense		$ -	$ -		$ -	
9	Subtotal (lines 4 to 8)		$18,000,168	($236,409)	$17,763,759	$24,944	$17,788,703
10	Deemed Interest Expense		$4,803,477	($244,698)	$4,558,779	$113	$4,558,892
11	Total Expenses (lines 9 to 10)		$22,803,645	($481,107)	$22,322,538	$25,057	$22,347,595
12	**Utility income before income taxes**		$7,232,958	($435,139)	$6,797,819	$200	$6,798,019
13	Income taxes (grossed-up)		$1,212,310	($200,522)	$1,011,788	$56	$1,011,845
14	**Utility net income**		$6,020,648	($234,617)	$5,786,031	$143	$5,786,175

Notes

(1)	**Other Revenues / Revenue Offsets**					
	Specific Service Charges	$245,845	$ -	$245,845	$ -	$245,845
	Late Payment Charges	$180,000	$ -	$180,000	$ -	$180,000
	Other Distribution Revenue	$278,819	$ -	$278,819	$ -	$278,819
	Other Income and Deductions	$351,299	($55,006)	$296,293	$ -	$296,293
	Total Revenue Offsets	$1,055,963	($55,006)	$1,000,957	$ -	$1,000,957

REVENUE REQUIREMENT WORK FORM

Version: 2.11

Name of LDC: Waterloo North Hydro Inc.
File Number: EB-2010-0144
Rate Year: 2011

Ontario

Taxes/PILs

Line No.	Particulars	Application		Settlement Agreement		Per Board Decision	
	Determination of Taxable Income						
1	Utility net income before taxes	$6,020,648		$5,786,031		$5,786,175	
2	Adjustments required to arrive at taxable utility income	($2,724,063)		($2,603,005)		($2,603,005)	
3	Taxable income	$3,296,585		$3,183,026		$3,183,170	
	Calculation of Utility income Taxes						
4	Income taxes	$886,355		$767,745		$767,786	
5	Capital taxes	$ -	(1)	$ -	(1)	$ -	(1)
6	Total taxes	$886,355		$767,745		$767,786	
7	Gross-up of Income Taxes	$325,955		$244,043		$244,059	
8	Grossed-up Income Taxes	$1,212,310		$1,011,788		$1,011,845	
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	$1,212,310		$1,011,788		$1,011,845	
10	Other tax Credits	$ -		$ -		$ -	
	Tax Rates						
11	Federal tax (%)	16.50%		16.50%		16.50%	
12	Provincial tax (%)	10.39%		7.62%		7.62%	
13	Total tax rate (%)	26.89%		24.12%		24.12%	

Notes
(1) Capital Taxes not applicable after July 1, 2010 (i.e. for 2011 and later test years)

REVENUE REQUIREMENT WORK FORM

Version: 2.11

Name of LDC: Waterloo North Hydro Inc.
File Number: EB-2010-0144
Rate Year: 2011

Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio (%)	Capitalization Ratio ($)	Cost Rate (%)	Return ($)
	Initial Application				
	Debt				
1	Long-term Debt	56.00%	$85,572,658	5.47%	$4,676,951
2	Short-term Debt	4.00%	$6,112,333	2.07%	$126,525
3	**Total Debt**	60.00%	$91,684,990	5.24%	$4,803,477
	Equity				
4	Common Equity	40.00%	$61,123,327	9.85%	$6,020,648
5	Preferred Shares	0.00%	$ -	0.00%	$ -
6	**Total Equity**	40.00%	$61,123,327	9.85%	$6,020,648
7	**Total**	100.00%	$152,808,317	7.08%	$10,824,124
	Settlement Agreement				
	Debt				
1	Long-term Debt	56.00%	$84,555,780	5.22%	$4,410,202
2	Short-term Debt	4.00%	$6,039,699	2.46%	$148,577
3	**Total Debt**	60.00%	$90,595,478	5.03%	$4,558,779
	Equity				
4	Common Equity	40.00%	$60,396,986	9.58%	$5,786,031
5	Preferred Shares	0.00%	$ -	0.00%	$ -
6	**Total Equity**	40.00%	$60,396,986	9.58%	$5,786,031
7	**Total**	100.00%	$150,992,464	6.85%	$10,344,810
	Per Board Decision				
	Debt				
8	Long-term Debt	56.00%	$84,557,875	5.22%	$4,410,312
9	Short-term Debt	4.00%	$6,039,848	2.46%	$148,580
10	**Total Debt**	60.00%	$90,597,723	5.03%	$4,558,892
	Equity				
11	Common Equity	40.00%	$60,398,482	9.58%	$5,786,175
12	Preferred Shares	0.00%	$ -	0.00%	$ -
13	**Total Equity**	40.00%	$60,398,482	9.58%	$5,786,175
14	**Total**	100.00%	$150,996,206	6.85%	$10,345,067

Notes

(1) 4.0% unless an Applicant has proposed or been approved for another amount.

REVENUE REQUIREMENT WORK FORM

Version: 2.11

Name of LDC: Waterloo North Hydro Inc.
File Number: EB-2010-0144
Rate Year: 2011

Ontario

Revenue Sufficiency/Deficiency

Line No.	Particulars	Initial Application		Settlement Agreement		Per Board Decision	
		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		$5,012,440		$3,781,285		$3,806,542
2	Distribution Revenue	$23,968,200	$23,968,201	$24,338,116	$24,338,116	$24,338,116	$24,338,116
3	Other Operating Revenue Offsets - net	$1,055,963	$1,055,963	$1,000,957	$1,000,957	$1,000,957	$1,000,957
4	**Total Revenue**	$25,024,163	$30,036,603	$25,339,073	$29,120,358	$25,339,073	$29,145,614
5	Operating Expenses	$18,000,168	$18,000,168	$17,763,759	$17,763,759	$17,788,703	$17,788,703
6	Deemed Interest Expense	$4,803,477	$4,803,477	$4,558,779	$4,558,779	$4,558,892	$4,558,892
	Total Cost and Expenses	$22,803,645	$22,803,645	$22,322,538	$22,322,538	$22,347,595	$22,347,595
7	**Utility Income Before Income Taxes**	$2,220,518	$7,232,958	$3,016,534	$6,797,819	$2,991,478	$6,798,019
8	Tax Adjustments to Accounting Income per 2009 PILs	($2,724,063)	($2,724,063)	($2,603,005)	($2,603,005)	($2,603,005)	($2,603,005)
9	**Taxable Income**	($503,545)	$4,508,895	$413,530	$4,194,814	$388,473	$4,195,014
10	Income Tax Rate	26.89%	26.89%	24.12%	24.12%	24.12%	24.12%
11	**Income Tax on Taxable Income**	($135,388)	$1,212,310	$99,743	$1,011,788	$93,700	$1,011,845
12	**Income Tax Credits**	$ -	$ -	$ -	$ -	$ -	$ -
13	**Utility Net Income**	$2,355,906	$6,020,648	$2,916,791	$5,786,031	$2,897,777	$5,786,175
14	**Utility Rate Base**	$152,808,317	$152,808,317	$150,992,464	$150,992,464	$150,996,206	$150,996,206
	Deemed Equity Portion of Rate Base	$61,123,327	$61,123,327	$60,396,986	$60,396,986	$60,398,482	$60,398,482
15	Income/Equity Rate Base (%)	3.85%	9.85%	4.83%	9.58%	4.80%	9.58%
16	Target Return - Equity on Rate Base	9.85%	9.85%	9.58%	9.58%	9.58%	9.58%
17	Sufficiency/Deficiency in Return on Equity	-6.00%	0.00%	-4.75%	0.00%	-4.78%	0.00%
18	Indicated Rate of Return	4.69%	7.08%	4.95%	6.85%	4.94%	6.85%
19	Requested Rate of Return on Rate Base	7.08%	7.08%	6.85%	6.85%	6.85%	6.85%
20	Sufficiency/Deficiency in Rate of Return	-2.40%	0.00%	-1.90%	0.00%	-1.91%	0.00%
21	Target Return on Equity	$6,020,648	$6,020,648	$5,786,031	$5,786,031	$5,786,175	$5,786,175
22	Revenue Deficiency/(Sufficiency)	$3,664,741	$0	$2,869,240	$ -	$2,888,397	$ -
23	**Gross Revenue Deficiency/(Sufficiency)**	$5,012,440 **(1)**		$3,781,285 **(1)**		$3,806,542 **(1)**	

Notes:

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

Ontario

REVENUE REQUIREMENT WORK FORM

Version: 2.11

Name of LDC: Waterloo North Hydro Inc.
File Number: EB-2010-0144
Rate Year: 2011

Line No.	Particulars	Revenue Requirement: Application		Revenue Requirement: Settlement Agreement		Revenue Requirement: Per Board Decision	
1	OM&A Expenses	$10,183,838		$10,014,338		$10,039,282	
2	Amortization/Depreciation	$7,816,331		$7,749,422		$7,749,422	
3	Property Taxes	$ -					
4	Capital Taxes	$ -		$ -		$ -	
5	Income Taxes (Grossed up)	$1,212,310		$1,011,788		$1,011,845	
6	Other Expenses	$ -					
7	Return						
	Deemed Interest Expense	$4,803,477		$4,558,779		$4,558,892	
	Return on Deemed Equity	$6,020,648		$5,786,031		$5,786,175	
8	Distribution Revenue Requirement before Revenues	$30,036,603		$29,120,358		$29,145,614	
9	Distribution revenue	$28,980,640		$28,119,401		$28,144,657	
10	Other revenue	$1,055,963		$1,000,957		$1,000,957	
11	**Total revenue**	$30,036,603		$29,120,358		$29,145,614	
12	**Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)**	$0	(1)	$ -	(1)	$ -	(1)

Notes
(1) Line 11 - Line 8

REVENUE REQUIREMENT WORK FORM

Name of LDC: Waterloo North Hydro Inc.
File Number: EB-2010-0144
Rate Year: 2011

Version: 2.11

Residential

Consumption 800 kWh

		Charge Unit	Current Board-Approved Rate ($)	Volume	Charge ($)	Proposed Rate ($)	Volume	Charge ($)	Impact $ Change	Impact % Change
1	Monthly Service Charge	monthly	$ 14.5600	1	$ 14.56	$ 14.5600	1	$ 14.56	$ -	0.00%
2	Smart Meter Rate Adder	monthly	$ 1.0000	1	$ 1.00	$ 1.0000	1	$ 1.00	$ -	0.00%
3	Service Charge Rate Adder(s)			1	$ -		1	$ -	$ -	
4	Service Charge Rate Rider(s)			1	$ -		1	$ -	$ -	
5	Distribution Volumetric Rate	per kWh	$ 0.0131	800	$ 10.48	$ 0.0184	800	$ 14.72	$ 4.24	40.46%
6	Low Voltage Rate Adder	per kWh	$ 0.0001	800	$ 0.08	$ 0.0001	800	$ 0.08	$ -	0.00%
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	per kWh	$ -	800	$ -	$ 0.0002	800	$ 0.16	$ 0.16	
11	Deferral/Variance Account Disposition Rate Rider	per kWh	-$ 0.0027	800	-$ 2.16	-$ 0.00273	800	-$ 2.18	-$ 0.02	1.11%
12	LPP Rate Rider	monthly			$ -	$ 0.1900	1	$ 0.19	$ 0.19	
13	Capital Gains Rate Rider	per kWh			$ -	-$ 0.0007	800	-$ 0.56	-$ 0.56	
14	Foregone Revenue Rate Rider	per kWh			$ -	$ 0.0005	800	$ 0.40	$ 0.40	
15					$ -			$ -	$ -	
16	**Sub-Total A - Distribution**				**$ 23.96**			**$ 28.37**	**$ 4.41**	**18.39%**
17	RTSR - Network	per kWh	$ 0.0058	840.4	$ 4.87	$ 0.0067	832.32	$ 5.58	$ 0.70	14.41%
18	RTSR - Line and Transformation Connection	per kWh	$ 0.0020	840.4	$ 1.68	$ 0.0022	832.32	$ 1.83	$ 0.15	8.94%
19	**Sub-Total B - Delivery (including Sub-Total A)**				**$ 30.52**			**$ 35.77**	**$ 5.26**	**17.23%**
20	Wholesale Market Service Charge (WMSC)	per kWh	$ 0.0052	840.4	$ 4.37	$ 0.0052	832.32	$ 4.33	-$ 0.04	-0.96%
21	Rural and Remote Rate Protection (RRRP)	per kWh	$ 0.0013	840.4	$ 1.09	$ 0.0013	832.32	$ 1.08	-$ 0.01	-0.96%
22	Special Purpose Charge	per kWh	$ 0.0003725	840.4	$ 0.31	$ 0.0003725	832.32	$ 0.31	-$ 0.00	-0.96%
23	Standard Supply Service Charge	monthly	$ 0.2500	1	$ 0.25	$ 0.2500	1	$ 0.25	$ -	0.00%
24	Debt Retirement Charge (DRC)	per kWh	$ 0.0070	800	$ 5.60	$ 0.0070	800	$ 5.60	$ -	0.00%
25	Energy	per kWh	$ 0.0668	840.4	$ 56.17	$ 0.0668	832.32	$ 55.63	-$ 0.54	-0.96%
26					$ -			$ -	$ -	
27					$ -			$ -	$ -	
28	**Total Bill (before Taxes)**				**$ 98.31**			**$ 102.98**	**$ 4.66**	**4.74%**
29	HST		13%		$ 12.78	13%		$ 13.39	$ 0.61	4.74%
30	**Total Bill (including Sub-total B)**				**$ 111.09**			**$ 116.36**	**$ 5.27**	**4.74%**
31	**Loss Factor (%)**	**Note 1**	5.05%			4.04%				

Notes:

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

Energy Price October 15, 2010 Navigant Price 2011 Calendar Year - adjusted in both columns $.06684
Deferral/Variance Accounts ($.00229) - five decimals included above, unable to display [Corrected - kcr]

The rate impacts above reflect an "11 month" implementation period.

REVENUE REQUIREMENT WORK FORM

Version: 2.11

Name of LDC: Waterloo North Hydro Inc.
File Number: EB-2010-0144
Rate Year: 2011

General Service < 50 kW

Consumption 2000 kWh

		Charge Unit	Current Board-Approved Rate ($)	Volume	Charge ($)	Proposed Rate ($)	Volume	Charge ($)	Impact $ Change	Impact % Change
1	Monthly Service Charge	monthly	$ 30.6300	1	$ 30.63	$ 30.6300	1	$ 30.63	$ -	0.00%
2	Smart Meter Rate Adder	monthly	$ 1.0000	1	$ 1.00	$ 1.0000	1	$ 1.00	$ -	0.00%
3	Service Charge Rate Adder(s)			1	$ -		1	$ -	$ -	
4	Service Charge Rate Rider(s)			1	$ -		1	$ -	$ -	
5	Distribution Volumetric Rate	per kWh	$ 0.0104	2000	$ 20.80	$ 0.0137	2000	$ 27.40	$ 6.60	31.73%
6	Low Voltage Rate Adder	per kWh	$ 0.0001	2000	$ 0.20	$ 0.0001	2000	$ 0.20	$ -	0.00%
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	per kWh	$ -	2000	$ -	$ 0.0001	2000	$ 0.20	$ 0.20	
11	Deferral/Variance Account Disposition Rate Rider	per kWh	-$ 0.0027	2000	-$ 5.40	-$ 0.00273	2000	-$ 5.46	-$ 0.06	1.11%
12	LPP Rate Rider	monthly			$ -	$ 0.4500	1	$ 0.45	$ 0.45	
13	Capital Gains Rate Rider	per kWh			$ -	-$ 0.0004	2000	-$ 0.80	-$ 0.80	
14	Foregone Revenue Rate Rider	per kWh			$ -	$ 0.0003	2000	$ 0.60	$ 0.60	
15					$ -			$ -	$ -	
16	**Sub-Total A - Distribution**				**$ 47.23**			**$ 54.22**	**$ 6.99**	**14.80%**
17	RTSR - Network	per kWh	$ 0.0053	2101	$ 11.14	$ 0.0061	2080.8	$ 12.69	$ 1.56	13.99%
18	RTSR - Line and Transformation Connection	per kWh	$ 0.0018	2101	$ 3.78	$ 0.0020	2080.8	$ 4.16	$ 0.38	10.04%
19	**Sub-Total B - Delivery (including Sub-Total A)**				**$ 62.15**			**$ 71.07**	**$ 8.93**	**14.36%**
20	Wholesale Market Service Charge (WMSC)	per kWh	$ 0.0052	2101	$ 10.93	$ 0.0052	2080.8	$ 10.82	-$ 0.11	-0.96%
21	Rural and Remote Rate Protection (RRRP)	per kWh	$ 0.0013	2101	$ 2.73	$ 0.0013	2080.8	$ 2.71	-$ 0.03	-0.96%
22	Special Purpose Charge	per kWh	$ 0.0003725	2101	$ 0.78	$ 0.0003725	2080.8	$ 0.78	-$ 0.01	-0.96%
23	Standard Supply Service Charge	monthly	$ 0.2500	1	$ 0.25	$ 0.2500	1	$ 0.25	$ -	0.00%
24	Debt Retirement Charge (DRC)	per kWh	$ 0.0070	2000	$ 14.00	$ 0.0070	2000	$ 14.00	$ -	0.00%
25	Energy	per kWh	$ 0.0668	2101	$ 140.43	$ 0.0668	2080.8	$ 139.08	-$ 1.35	-0.96%
26					$ -			$ -	$ -	
27					$ -			$ -	$ -	
28	**Total Bill (before Taxes)**				**$ 231.27**			**$ 238.71**	**$ 7.44**	**3.22%**
29	HST		13%		$ 30.06	13%		$ 31.03	$ 0.97	3.22%
30	**Total Bill (including Sub-total B)**				**$ 261.33**			**$ 269.74**	**$ 8.41**	**3.22%**
31	**Loss Factor**	**Note 1**	5.05%			4.04%				

Notes:

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

Energy Price October 15, 2010 Navigant Price 2011 Calendar Year - adjusted in both columns $.06684
Deferral/Variance Accounts ($.00242) - five decimals included in above, unable to display [Corrected - kcr]

The rate impacts above represent an "11 month" implementation period.